Translation C-412/24-1

Case C-412/24

Request for a preliminary ruling

Date lodged:

10 June 2024

Referring court:

Cour de cassation (France)

Date of the decision to refer:

5 June 2024

Appellants:

Fauré Le Page Maroquinier SAS

Fauré Le Page Paris SAS

Respondent:

Goyard ST-Honoré SAS

...

Judgment No 322 FS-D

Appeal on a point of law No D 22-11.499

...

JUDGMENT OF THE COUR DE CASSATION, CHAMBRE COMMERCIALE, FINANCIÈRE ET ÉCONOMIQUE (COURT OF CASSATION, COMMERCIAL, FINANCIAL AND ECONOMIC CHAMBER, FRANCE) OF 5 JUNE 2024

 $1^{\circ}\!/$ The company Fauré Le Page Maroquinier, ...

2°/ The company Fauré Le Page Paris, ...

. . .



have brought the [present] appeal on a point of law ... against the judgment delivered on 23 November 2021 by the cour d'appel de Paris (Court of Appeal, Paris) ..., in the proceedings between them and the company Goyard ST-Honoré, ... respondent in these proceedings.

In support of their appeal on a point of law, the appellants rely on two grounds.

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... [procedure before the referring court].

the Commercial, Financial and Economic Chamber of the Court of Cassation ... has delivered the present judgment.

Facts and procedure

- According to the judgment under appeal ..., delivered following referral of the case back after cassation (... [of] 27 June 2018, rectified by judgment of 10 October 2018, Appeal on a point of law No 16-27.856) ..., the company Maison Fauré Le Page, which had been engaged in buying and selling arms, ammunition and leather accessories in Paris since 1716, was dissolved, resulting in the transfer of all its assets and liabilities to its sole shareholder, the company Saillard, on 27 November 1992.
- On 5 June 1989, Saillard had lodged an application for the French trade mark 'Fauré Le Page' No 134782, to designate, inter alia, 'edged weapons; firearms and their parts; ammunition and projectiles; explosives; shooting aids; cartridge boxes; leather and imitations of leather; trunks and suitcases'. On 29 October 2009, Saillard sold that trade mark to Fauré Le Page Paris, a company newly registered in the registre du commerce et des sociétés (Companies Register) on 14 October 2009.
- On 17 June 2011, Fauré Le Page Paris lodged applications for the French trade marks 'Fauré Le Page Paris 1717' Nos 3839809 and 3839811 to designate, inter alia, in Class 18 the goods 'leather and imitations of leather; trunks and suitcases; travelling bags; handbags'.
- On 26 October 2012, the company Goyard ST-Honoré, which manufactures and markets travel goods and leather goods, brought proceedings against Fauré Le Page Paris and Fauré Le Page Maroquinier (the Fauré Le Page companies), the latter in its capacity as proprietor of the 'Fauré Le Page Paris 1717' trade marks, seeking cancellation of those trade marks on the ground that they are misleading.
- By judgment of 4 October 2016, the Court of Appeal, Paris, rejected that claim. That decision was set aside by a judgment of the Commercial Chamber of the Court of Cassation of 27 June 2018. Following referral of the case back after cassation, the Court of Appeal, Paris, by the judgment under appeal of

- 23 November 2021, ruled that the 'Fauré Le Page Paris 1717' trade marks Nos 3839809 and 3839811 were invalid on the ground that they were misleading.
- That judgment found that the words 'Paris 1717' contained in the two 'Fauré Le Page Paris 1717' trade marks referred to the place and date of establishment of the business and led, inter alia, the public to believe in the continuity of operations since 1717, and in the transmission of know-how from the former Maison Fauré Le Page to Fauré Le Page Paris, a guarantee, in the minds of the relevant sector of the public, of the quality of the goods bearing those trade marks. The judgment adds that the former Maison Fauré Le Page, established in 1716, ceased its activity of buying and selling arms, ammunition and accessories in 1992, so that Fauré Le Page Paris, established in 2009, did not continue the activity of the former Maison Fauré Le Page. Lastly, the judgment clearly indicates that for the average consumer of luxury leather goods, such as those marketed by the Fauré Le Page companies, the use of very old know-how is a decisive factor in his or her decision to buy. The judgment concludes from this that the trade marks are likely to give rise to a serious risk of deceiving consumers and must be cancelled.
- 7 The Fauré Le Page companies brought appeals on a point of law against that judgment.

Examination of the grounds of appeal

The first part of the first ground of appeal

Statement of the ground of appeal

8 The Fauré Le Page companies criticise the judgment for ruling that the 'Fauré Le Page Paris 1717' trade marks Nos 3839809 and 3839811 were invalid on the ground that they were misleading. They argue that 'a trade mark which is likely to mislead the public, not as to the qualities of its proprietor, but as to the characteristics of the goods or services designated, may be cancelled. However, in finding that the trade marks "Fauré Le Page 1717" were misleading, the Court of Appeal infringed Article L. 711-3(c) of the French Intellectual Property Code, interpreted in the light of Article 3(1)(g) of Directive 2008/95/EC of 22 October 2008 to approximate the laws of the Member States relating to trade marks, when it held—without establishing actual deceit or a sufficiently serious risk of deceit, not as to the qualities of the proprietor of the trade marks at issue, but as to the goods designated by those trade marks—that Fauré Le Page Paris, which had not acquired the activity of Maison Fauré Le Page, founded in 1717, could not present itself as the latter's successor.'

The Court's response

9 That ground of appeal raises the question of whether the judgment of the Court of Appeal complies with ... Article 3(1)(g) of Directive 2008/95/EC of 22 October

2008 to approximate the laws of the Member States relating to trade marks, the provisions of which are now set out in Article 20(b) of Directive (EU) 2015/2436 of 16 December 2015 to approximate the laws of the Member States relating to trade marks.

10 ... [procedure]

Summary of the applicable provisions

- Under Article L. 711-3(c) of the French Intellectual Property Code, in the version applicable to the dispute, no sign the use of which is likely to mislead the public, in particular as to the nature, quality or geographical provenance of the product or service, may be adopted as a trade mark or element of a trade mark.
- That provision transposed in turn the provisions of Article 3(1)(g) of Directive 89/104/EEC to approximate the laws of the Member States relating to trade marks, Article 3(1)(g) of Directive 2008/95/EC of 22 October 2008 and Article 20(b) of Directive (EU) 2015/2436, which are essentially identical.
- Interpreting Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks, the Court of Justice of the European Union, in its judgment of 30 March 2006, *Emanuel* (C-259/04), after pointing out that the circumstances for refusing registration referred to in Article 3(1)(g) of Directive 89/104 presuppose the existence of actual deceit or a sufficiently serious risk that the consumer will be deceived, held that, even if the average consumer might be influenced in his or her act of purchasing by imagining that the natural person whose name is registered as a trade mark was involved in the design of the product bearing the trade mark, that fact cannot in itself be of such a nature as to deceive the public as to the nature, quality or geographical origin of that product (paragraphs 47 to 49).

Grounds for the reference for a preliminary ruling

- 14 The Court of Appeal, Paris, ruled that the 'Fauré Le Page Paris 1717' trade marks are deceptive.
- 15 That decision holds that it is misleading to communicate, by means of the trade mark applied for, false information on a company which results in the average consumer of the goods or services for which the trade mark has been registered inferring that they have a particular quality or prestige.
- Such an interpretation appears compatible with the illustrative nature of the list in Article 3(1)(g) of Directive 2008/95/EC of 22 October 2008.
- A survey put before the Court of Appeal by Goyard ST-Honoré demonstrates also that the age of the undertaking claimed by a trade mark influences the consumer's

decision to buy the products in question, in particular in the luxury leather goods sector, with the result that the age of an undertaking is an important factor for consumers, whose decision to buy is thus influenced by that information. Reference to the age of an undertaking is consequently a factor in attracting customers and therefore confers a competitive advantage.

- It is clear from findings in the judgment which are not open to review that, in applying for 'Fauré Le Page' trade marks containing the date 1717, the Fauré Le Page companies are misrepresenting themselves as being the 'successors' to the former Maison Fauré Le Page.
- In that regard, it should be noted that the previous judgment of the Court of Cassation in this case specifically criticised the Court of Appeal, Paris, for accepting this status as 'successor' without finding that Fauré Le Page Paris had continued or taken over the activities of Saillard or that it was the latter's successor in law, and without indicating how the mere transfer of the 'Fauré Le Page' trade mark, applied for in 1989, entitled that company to rely on the age of Maison Fauré Le Page with respect to the general public.
- The Court of Cassation considers that the deceptive nature of a trade mark is not limited to a misleading message relating solely to the characteristics of the product or service or some of them, but may also concern the characteristics of the undertaking which is the proprietor of the trade mark itself, and in particular its age, since a consumer is likely to infer from the false information thus communicated by the trade mark that the product bearing it has certain qualities or enjoys a certain prestige qualities and prestige which may influence the consumer's decision to acquire the product.
- It is also recalled that, in its judgment of 23 April 2009, *Copad* (C-59/08), the Court of Justice of the European Union held, with regard to damage to the quality of goods which may be alleged against a licensee by the proprietor of the trade mark, that the quality of luxury goods is not just the result of their material characteristics, but also of the allure and prestigious image which bestows on them an aura of luxury (paragraphs 24 to 26). It may therefore be asked whether, at least in the luxury goods sector, where the trade mark or one of its elements confers on the designated goods a prestigious image which influences the consumer's decision to buy those goods, the trade mark should be declared invalid if that element is false.
- The Fauré Le Page companies maintain that, in order to be considered deceptive, the trade mark must be likely to mislead the consumer not as to the undertaking but as to the nature and characteristics of the goods or services designated in the registration.
- 23 They argue that this is how the *Emanuel* judgment must be understood.
- 24 They add that, in applying the provisions of Article 7(1)(g) of Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark, which are

essentially identical to those of Article 3(1)(g) of Directive 2008/95/EC of 22 October 2008, the General Court of the European Union ... rules that the assessment of the absolute ground for refusal based on the deceptive character of a trade mark can be made only in relation to the goods or services concerned, that the application of that ground implies a sufficiently specific designation of potential characteristics of the goods and services covered by the trade mark and that only where the targeted consumer is led to believe that the goods and services possess certain characteristics which they do not in fact possess will he be deceived by the trade mark (... judgments of 29 November 2018, *Khadi and Village Industries Commission* v *EUIPO – BNP Best Natural Products (Khadi Ayurveda)*, T-683/17, paragraph 53; of 29 June 2022, *Hijos de Moisés Rodríguez González* v *EUIPO – Ireland and Ornua (La Irlandesa 1943)*, T-306/20, paragraphs 56 and 57, and of 29 November 2023, *Myforest Foods* v *EUIPO (MYBACON)*, T-107/23, paragraphs 29 and 30).

- It must also be noted that, acting upon those principles in relation to the trade mark 'Longwy Paris Maîtres artisans depuis 1798', applied for by a company established in 2000 to designate, inter alia, 'jewellery; semi-precious articles of bijouterie; articles of jewellery with ornamental stones; articles of jewellery made of precious metal alloys', a Cancellation Division of the European [Union] Intellectual Property Office (Decision of 27 November 2019, No 19646 C) rejected the application for cancellation of that trade mark, stating that the fact that the proprietor has held the title of master craftsman since 1798, or even that his business was established in 1798, does not confer any particular characteristic on the goods and services and consequently does not create any specific expectations on the part of the consumer which would involve the existence of actual deceit. That decision adds that the trade mark may be perceived as laudatory at most and, in so far as the reference to that date does not contradict the way in which the contested list of goods and services is worded, it is acceptable.
- The Fauré Le Page companies conclude from this that, since no specific characteristics of the leather goods designated in the registration are described by the 'Fauré Le Page Paris 1717' trade marks, which at most convey a general idea of quality, they cannot be regarded as deceptive for the purposes of Article 3(1)(g) of Directive 2008/95/EC.
- The Advocate General considers that a reference should be made to the Court of Justice of the European Union for a preliminary ruling. She states that the solution adopted by the [General Court] raises questions as to the possible impact of a reference made by a trade mark to the age of the undertaking. Accordingly, she refers to a study on the perception of the age of the undertaking conveyed by a trade mark, from which it emerges that, in certain sectors, age confers a competitive advantage on the supplier of the goods or services and added value to a trade mark able to claim such an age, on account of the know-how and quality which a consumer of the goods or services concerned expects on the basis of the continuity of the undertaking.

- The Court of Justice does not appear to have had occasion to endorse the General Court's case-law according to which the ground for invalidity relating to the deceptive nature of a trade mark implies a sufficiently specific designation of potential characteristics of the goods and services covered by the trade mark and only where the targeted consumer is led to believe that the goods and services possess certain characteristics which they do not in fact possess will he be deceived by the trade mark.
- 29 Although the *Emanuel* judgment, cited above, may be interpreted, as the appellants do, as meaning that a trade mark is not deceptive if it misleads the consumer as to the qualities of the undertaking which manufactures the goods bearing the mark, it was nonetheless given in the specific case of a trade mark consisting of a designer's name, so that considerations specific to that context may explain the solution adopted.
- In the present case, it is clear from assessments made by the court adjudicating on the substance, which are not open to review, that the 'Fauré Le Page Paris 1717' trade marks are perceived as falsely claiming, for their proprietor, several centuries of operation in the leather goods business and that the incorrect information thus conveyed is likely to influence the decision of consumers to buy goods bearing one of those trade marks, since consumers of luxury leather goods attach importance to the history and age of the undertaking marketing those goods.
- 31 The resolution of the dispute therefore depends on whether that finding is sufficient to establish that the trade marks are deceptive for the purposes of Article 3(1)(g) of Directive 2008/95/EC of 22 October 2008.
- In that regard, it must first be determined whether the fact that a trade mark conveys incorrect information on its proprietor which may influence the average consumer of the goods and services covered by that trade mark is sufficient to support the conclusion that it is deceptive, or whether the error caused must relate to the characteristics of those goods or services.
- Next, even assuming that a trade mark is deceptive only if it relates to the characteristics of the goods or services covered by that trade mark, does a finding that it is deceptive presuppose that the trade mark constitutes a sufficiently specific designation of potential characteristics of the goods or services covered by the trade mark?
- Finally, if the answer to that question is in the affirmative, the question arises as to whether, in particular in the luxury goods sector, in which the history associated with the trade mark is an important element in the attractiveness of the goods bearing it, the fact that the trade mark ascribes to its proprietor considerable experience, and therefore proven know-how, in the manufacture of the goods covered by the trade mark constitutes a sufficiently specific designation of

potential characteristics of the goods covered by the trade mark, which those goods do not possess.

The questions referred for a preliminary ruling

35 The following questions therefore arise [reproduced in the operative part] ...

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ON THOSE GROUNDS, the Court:

...

REFERS the following questions to the Court of Justice of the European Union:

- 1. Must Article 3(1)(g) of Directive 2008/95/EC of 22 October 2008 to approximate the laws of the Member States relating to trade marks be interpreted as meaning that a reference to a fanciful date in a trade mark conveying false information on the age, reliability and know-how of the manufacturer of the goods and, consequently, on one of the intangible characteristics of those goods is sufficient to establish the existence of actual deceit or a sufficiently serious risk that the consumer will be deceived?
- 2. If the answer to the first question is in the negative, must that article be interpreted as meaning?
- (a) that a trade mark may be regarded as deceptive where there is a likelihood that consumers of the goods and services designated by the trade mark will believe that the proprietor of that trade mark has been producing those goods for centuries, thereby conferring on them a prestigious image, whereas that is not the case?
- (b) that, in order to establish the existence of actual deceit or a sufficiently serious risk that the consumer will be deceived, on which a finding that a trade mark is deceptive depends, the trade mark must constitute a sufficiently specific designation of potential characteristics of the goods and services for which it is registered, so that the targeted consumer is led to believe that the goods and services possess certain characteristics which they do not in fact possess?

...