

International conflict between trademark and domain name: the Decathlon case

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The registration of the Polish domain name “*decathlon.pl*” on 13 June 2000 (on the application of a Polish company) was treated by a French company *Decathlon* as an infringement of either its *Decathlon* trademark and its good reputation or its company name and the business name. The French company brought an action to the Court of First Instance in Paris ([TGI Paris](#), 8 jul. 2003, [Legalis.net](#)) on the basis of article L. 713-5 of the French Intellectual Property Code (Code de la propriété intellectuelle)¹ and won the case. The Court of First Instance stated that the registration and utilization of the “*decathlon.pl*” domain name for the website composed of the pictures which depreciated sport infringes the right to the French *Decathlon* trademark, the company name and the business name. However, the Polish company appealed from the judgment and in result the ruling of the Court of Appeal ([Cour d’appel de Paris](#), 15 dec. 2004, [Juriscom.net](#)) was in favour of the appellant.

In the opinion of the Court of Appeal the French company did not prove that the association between its activity and the Polish website “*www.decathlon.pl*” of vulgar character causes the prejudice of the French company. Furthermore, according to the statement of the Court, two basic factors excluded the infringement of the French trademark (the company name and the business name) and its good reputation. Firstly, the Court of Appeal affirmed that the fact that the website “*www.decathlon.pl*” was created in the Polish language essentially limited the contact with this website for the French and other Internet users who knew the French *Decathlon* trademark but who did not understand Polish. Secondly, the French company did not prove that its trademark (famous in France) was well known in Poland on the date of the Polish domain name registration (according to the ruling the *Decathlon* company opened its first two shops in Poland as late as 1 June 2001 – after the Polish domain name registration).

Although this first factor mentioned above would be of secondary importance if the French trademark was sufficiently known in Poland, in this case it was quite significant. In contrast to the Court statement, it does not seem that the impact of the Polish *Decathlon* website was considerably limited for foreigners due to the fact that this website was created in the Polish language. It is worth observing that this website mainly consisted of pictures of sportsmen and the word “decathlon” repeated a few times. It is rather obvious that such contents can be understandable for everyone who knows the *Decathlon* trademark independently of the kind of language known by any Internet user. It also seems that the vulgar character of these pictures could be easily noticed without the knowledge of the Polish language. Taking all these aspects into consideration it is difficult to agree with the French Court of Appeal.

Nevertheless, it is worth considering if the French Court of Appeal would have given the same sentence in the case of proving cybersquatting; a domain name registration in bad faith. According to what results from the judgment of the Court of First Instance, the Polish company wanted to sell its domain name for € 20,000 but the French company did not accept this offer. It seems strange why the

¹ Article L. 713-5 states that: “Any person who uses a mark enjoying repute for goods or services that are not similar to those designated in the registration shall be liable under civil law if such use is likely to cause a prejudice to the owner of the mark or if such use constitutes unjustified exploitation of the mark. The foregoing paragraph shall apply to the use of a mark that is well known within the meaning of Article 6bis of the Paris Convention for the Protection of Industrial Property referred to above.”

French company did not deem this activity as cybersquatting, especially if we take into consideration the fact that the Polish company did not use its website for any purpose connected with its activity.

In some respects the *Decathlon* case reminds of the *Tchibo* case. In 1992 a Polish company obtained in the Polish Patent Office the registration of the *Tchibo* trademark for the designation of coffee and some other groceries. At the date of the registration, the Polish company did not conduct commercial activity and the German *Tchibo* trademark was hardly known in Poland. In 1995 the Board of Appeal at the Polish Patent Office (*Komisja Odwoławcza przy Urzędzie Patentowym RP*) cancelled the *Tchibo* trademark registration on the application of the German company *Tchibo Frisch Rost Kaffe GmbH* from Hamburg². The German company regarded the *Tchibo* trademark registration in the Polish Patent Office as an infringement of the German company name *Tchibo* and its trademark. In the early 90's the Polish company registered a few trademarks like this, which were famous in West European countries, except Poland, and it managed to sell some of them to their legal owners who wanted to enter the Polish market. This was a typical example of a trademark registration in bad faith ("cybersquatting" on the ground of trademarks law). However, in this case there were no doubts concerning the bad faith of the Polish company, unlike the *Decathlon* case. It is worth noticing that it is more difficult to prove the bad faith of a trademark registration in the case of a generic trademark. Unlike the word "tchibo", the word "decathlon" exists in the Polish vocabulary. It is more probable that generic words which are similar to famous trademarks are chosen in good faith (just because they are typical of some kind of activity).

It seems that in the *Decathlon* case there could have been a situation analogical to the *Tchibo* case if the Polish company had registered the trademark instead of the domain name. In such a situation the French company could have applied for the cancellation of the Polish *Decathlon* trademark registration on the basis of the bad faith of the Polish company, which is one of the obstacles of trademark registration under the Polish Intellectual Property Act (IPA)³. However, it should be emphasized that, according to article 164 of IPA, the registration of a trademark can be invalidated on the application of any person who has a legal interest if they prove that the legal premises of the registration were not fulfilled⁴.

On the basis of Article 5.3 of Council Regulation (EC) No 44/2001 of 22 December 2000 *on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters*⁵ the French company might have brought an action to the Polish Court as well as to the French Court. It is worth considering if the French company would have won the case before the Polish Court and what the possible legal bases for such an action are. In the Polish legal system, the legal basis for the protection of trademarks can be found, first of all, in the Industrial Property Act which protects:

- common registered trademarks (registration of a mark in the Polish Patent Office is the condition for gaining protection),
- well known trademarks (well known trademarks are the only example of unregistered trademarks protected by IPA provisions),
- famous (renowned) trademarks (they are protected by IPA if they are registered).

It is easy to notice that the French *Decathlon* trademark did not fulfill any of the premises mentioned above so it could not have been protected on the basis of IPA.

² Decision dated the 29 May 1995, Nr Odw. 1023/95, published in: Casus "Radeberger Pilsner Export", Casus "Tchibo", Polska Izba Rzeczników Patentowych, Materiały i Studia 1996, nr 3 with the comment of U. Promińska.

³ The Industrial Property Act dated the 30th June 2000. (Dziennik Ustaw [Dz.U.] No. 49, item 508).

⁴ According to the statement of the Polish Patent Office the German company had a legal interest in invalidation of a Polish trademark registration because this registration infringed its rights to its company name Tchibo and the protection of this right in Poland resulted from the provisions of the Polish Civil code and Article 8 of the Paris Convention.

⁵ Article 5.3 states that: "A person domiciled in a Member State may, in another Member State, be sued in matters relating to tort, delict or quasi-delict, in the courts for the place where the harmful event occurred or may occur"

Moreover, trademarks in Poland can gain protection on the basis of art. 10 of the *Counteracting Unfair Competition Act (CUCA)*⁶. The provisions of this Act protect unregistered trademarks in used (common as well as famous ones). The condition for gaining protection in the light of LCUC is the priority of using a mark on the market. It is worth noting that the first act of a mark's use provides protection only to these marks which possess original distinguishing character. Other marks gain protection while gaining ability to be distinguished by a long-term use⁷. It seems that this premise was not fulfilled by the French *Decathlon* trademark at the date of the Polish domain name registration. Thus, it could not be protected on the basis of CUCA.

It would also be difficult to find the protection for the French trademark on the basis of art. 3 CUCA⁸. Although this article seems a more suitable source of protection in the case of either cybersquatting or depreciation of a famous trademark, it can be applied only when the illicit act is connected with the commercial activity of a defendant (the same rule concerns all the provisions of CUCA). Otherwise, an action should be based on the Polish Civil Code (CC)⁹ provisions concerning the responsibility for the torts (precisely Art. 415 of Polish CC¹⁰, which corresponds to Art. 1382 of the French Civil Code). In this case, the French company should prove its prejudice, the fault of the defendant (the Polish company) and the connection between the fault and the prejudice.

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⁶ The Counteracting Unfair Competition Act dated the 16th April 1994. (Dz.U No. 47, item 211 amended).

⁷ R. Skubisz – 'Ochrona zagranicznej nazwy handlowej w Polsce' (Foreign Commercial Name Protection in Poland) in Visitors' Book. The First Congress of the Polish Notaries, Kluczbork 1993, pp. 233-247, 239-240.

⁸ Under provisions of the CUCA cybersquatting can be treated as an act of unfair competition defined in art. 3 CUCA stating that "each illegal action or an action inconsistent with good manners, which endangers or infringes interests of another entrepreneur or consumer is an act of unfair competition".

⁹ The Civil Code dated the 23rd April 1964. (Dz.U No.16, item 93 amended).

¹⁰ Article 415 CC states that: "Whoever by his fault caused a prejudice to another person shall be obligated to redress it".