THE TEA BOARD V. MR. JEAN-LUC DUSONG

COURT OF APPEALS OF PARIS, 05/20050

DECISION OF NOVEMBER 22, 2006

TRANSLATED BY JUSTIN HUGHES AND DIANE ARTAL

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Translators' notes:

Where the translation includes brackets with italicized text, i.e. [xxxx], these are words added by the translators to improve understanding of the original. Limited footnotes from the translators are provided for clarification.

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THE TEA BOARD V. MR. JEAN-LUC DUSONG

FRENCH REPUBLIC IN THE NAME OF THE FRENCH PEOPLE

COURT OF APPEALS OF PARIS

4th Chamber – Section A
Decision of November 22, 2006
(No. , pages)

Registration number in the general index: 05/20050

Decision referred to the court: Judgment of 6 July 2005 – Tribunal de Grande Instance of Paris² – General docket no. 03/11092

APPELLANT:

THE TEA BOARD

Whose headquarters are located at 14 Biplabi Trailokya, Maharaj, Sarabni (Brabourne Road) 70000 Calcutta (India)

Acting by and through its legal representatives

Represented by SCP HARDOUIN, solicitors³
Assisted by Michel-Paul ESCANDE, Esq., attorney at the Paris bar, "toque" R266, pleading for SELARL M.P. ESCANDE

APPELLEE:

Mr. Jean-Luc DUSONG
Domiciled 18, rue Emilio Castelar
75012 Paris

Represented by SCP ROBLIN-CHAIX DE LAVARENE, solicitors Assisted by Anne REVERSAC, Esq., attorney at the Paris bar, "toque" P324, pleading for SCP CLERY and MIRE MORY

COMPOSITION OF THE COURT:

¹ Blank in the original.

The court of first instance for large claims.

³ An "avoué" is a kind of barrister or solicitor accredited with a certain court and authorized to perform certain acts.

A "toque" is a hat that was traditionally worn by French lawyers. Currently, it refers to the locker or box allocated to a lawyer in a Paris court where documents of the court and documents of the parties are passed to lawyers. In Geneva courts, the same lawyer's mail box is called a "case"

This case was argued on 23 October 2006 in a public hearing before the Court made up of:

Mr. Alain CARRE-PIERRAT, Presiding Judge Mrs. Marie-Gabrielle MAGUEUR, Bench Mrs. Dominique ROSENTHAL-ROLLAND, Bench

Who deliberated on the matter

CLERK, during the argument: Mrs. Jacqueline VIGNAL

JUDGMENT

Pronounced publicly by Mr. Alain CARRE-PIERRAT, Presiding Judge

Signed by Mr. Alain CARRE-PIERRAT, Presiding Judge, and Mrs. Jacqueline VIGNAL, clerk attending when judgment was rendered.

In view of the appeal filed by the public institution under Indian law, THE TEA BOARD concerning the judgment handed down on 6 July 2005 by the Tribunal de Grande Instance of Paris which:

- stated that THE TEA BOARD was authorized to act,
- stated that the registration by Jean-Luc DUSONG on 14 November 2002, of the semi-figurative trademark No. 02 3 193 817 containing the name "DARJEELING" and the drawing of a teapot to designate the products and services of categories 16, 35 and 41, was not unlawful and did not constitute deception,
- dismissed all the claims of THE TEA BOARD,
- ordered THE TEA BOARD to pay to Jean-Luc DUSONG the amount of €4,000 on the basis of article 700 of the new Code of Civil Procedure, and to cover associated expenses;

In view of the briefs filed on 27 September 2006 by which THE TEA BOARD, seeking reversal of the judgment handed down, with the exception of the grant of jurisdiction, asks the court to:

• state that the registration of a trademark containing the name "DARJEELING" and the representation of a teapot harms the

Indian geographical indication "DARJEELING" and causes damage to the interests that THE TEA BOARD represents,

- cancel trademark No. 02 3 193 817 registered by Jean-Luc DUSONG to designate the products and services in categories 16, 35 and 41,
- prohibit Jean-Luc DUSONG from using the indication of origin "DARJEELING" in any form whatsoever, subject to a fine of €500 per infringement as of the service of the order that will be rendered, with the court reserving the right to liquidate this amount,
- dismiss all the claims made by Jean-Luc DUSONG,
- order Jean-Luc DUSONG to pay the amount of €2,000 as compensation for the harm to the indication of origin "DARJEELING,"
- order the publication of the revised decision in three newspapers or magazines of its choice at the expense of Jean-Luc DUSONG up to a maximum global amount of €5,000 excluding tax for all the publications,
- declare that the decision to be entered [by the court] be transmitted for entry in the national trademark register,
- order Jean-Luc DUSONG to pay €2,000 to [THE TEA BOARD], on the basis of article 700 of the new Code of Civil Procedure, and to cover associated expenses;

In view of the most recent pleadings filed on 28 September 2006, in which Jean-Luc DUSONG asked the court to affirm the judgment on appeal with the exception of the dismissal of his claim for abuse of process and, reversing its opinion on this point, to grant him €10,000 in damages and interests, in addition to the €10,000 on the basis of article 700 of the new Code of Civil Procedure, and to sentence THE TEA BOARD to cover associated expenses;

ON THIS BASIS, THE COURT:

Whereas THE TEA BOARD was established on 28 May 1953, by the state of India, in the form of a public institution, with the mission of promoting the development of the tea industry and controlling its geographical production zones, including the district of Darjeeling located in West Bengal where the eponymous tea is harvested;

Whereas Jean-Luc DUSONG is the holder of the semi-figurative trademark consisting of the name "DARJEELING" and the drawing of a teapot filed on November 14, 2002, registered under No. 3.193.817, to de-

signate the publication of books, magazines. paintings, etchings, art books; paper, cardboard and all art publications: copperplate engravings, lithography, linocut; organization of exhibitions for commercial or advertising purposes; distribution of brochures, samples, newspaper subscription services to third parties; and communication consulting agency, products and services in classes 16, 35 and 41;

Whereas considering that the registration of this sign violates the Indian geographical indication "DARJEELING" and causes harm to the interests that are its statutory mission to protect, THE TEA BOARD sued Jean-Luc DUSONG before the Tribunal de Grande Instance of Paris seeking cancellation of the trademark and compensation for the infringement that had resulted;

Considering that before the court, Jean-Luc DUSONG does not criticize the conclusions of the judgment handed down as to authority to act of the institution THE TEA BOARD;

Regarding the harm to the reputation of the geographical indication DARJEELING:

Whereas, according to the terms of the article 22.1 of the TRIPS Agreement, the term geographical indications refers to indications which identify a good as originating in the territory of a Member or region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin;

Whereas paragraph 2(b) of this provision refers to Article 10bis of the Paris Convention to prohibit any use of geographical indications constituting unfair competition;

Whereas the Article 10bis mentioned above states that an act of unfair competition is any act contrary to honest practices in industrial and commercial matter;

Whereas it is not contested that France and India are signatories of these two treaties:

Considering that, in this case, it was brought to light by materials presented at argument that the denomination "DARJEELING" corresponds to the geographical name of a province in the North of India, located on the foothills of the Himalaya at an altitude of 2000 meters; this name refers to the tea produced from this determined area, a product whose gus-

tatory qualities are attributed to the combination of climatic factors, freshness, and purity of the air associated with the altitude of the high plateaus and the traditional methods of cultivation, withering, rolling, drying, and fermentation of the leaves;

Whereas this denomination associated with the tea produced therein does indeed constitute a geographical indication according to the texts mentioned above:

Whereas the works (Histoire du Thé by Paul Butel, published in 1989, "Mes jardins de Thé", published in 1990, the Encyclopedia THEMA LAROUSSE 1991, the Larousse gastronomique, 1996 edition) and the extracts of news articles (Le Monde dated December 2, 1998, Le Figaro of November 23, 1999, and May 26, 2001, Le Parisien dated of October 26, 2001, La Tribune of December 26, 2001) presented at argument establishing the reputation of this tea-producing area, that gives birth to a beverage reputed for the delicacy and fineness of its aroma, which varies according to the plantations or gardens in which it is grown and depending on the time of the harvest and the size of the leaves, and is considered by gourmets as being the rarest and most precious of black teas;

Considering that it constitutes an act of parasitic competition when a person takes or copies another's economic value, which is the result of know-how, intellectual work, and investment in order to obtain a competitive advantage;

Considering that the disputed trademark, consisting of the drawing of a teapot, undeniably evokes "DARJEELING" tea, an evocation which is not accidental since it has been established that, in order to promote his trademark, Jean-Luc DUSONG regularly refers to the world of the tea: "the communication, it is our cup of tea";

Whereas it is of little significance that the products referred to in the registration are different since, by adopting this name associated with a drawing of a teapot, Jean-Luc DUSONG intentionally has attempted to benefit from the renown attached to this geographical indication. In the mind of the public, this geographical indication identifies tea originating from this area, being synonymous with excellence and sophistication and from the know-how of THE TEA BOARD in promoting this product, taking its prestige free of charge. This use for products other than tea harms this prestigious geographical indication, from which only THE TEA BOARD may benefit, by making it appear ordinary and undermining its distinctive nature;

Whereas this parasitic behavior, regardless of any risk of confusion, constitutes wrongful conduct under article 1382 of the Civil Code;

Regarding the invalidity of the trademark:

Considering the basis of the provisions of the article L. 711-4 of the Code of Intellectual Property, THE TEA BOARD seeks the invalidation of the trademark registered by Jean-Luc DUSONG, for harm to the prior rights that it owns on the denomination "DARJEELING"; Considering that the list of prior rights mentioned by this text is not exhaustive, the indication of origin constitutes a prior right opposable to a registered trademark in the manner of a protected appellation of origin;

Whereas due to the length of its use, which goes back to the 19th century, and the attractive power resulting from its international reputation, this geographical indication immediately evokes in the consumer's mind, even when applied to dissimilar products or services, the universe of tea from the high Indian plateaus, such that only the producers, traders, and exporters from this region of India, represented by THE TEA BOARD, may benefit from this origin; it [this geographical indication] has become unavailable to constitute a valid trademark;

Whereas it should also be pointed out that the services of the communication consulting agency concerned with the trademark at issue are involved in the mission of promoting the development of tea belonging to the institution THE TEA BOARD;

Whereas it is necessary, consequently, to declare the invalidity of the trademark No. 02 3 193 817 registered by Jean-Luc DUSONG, this relief being necessary in order to stop the continuation of parasitic acts;

Regarding redress:

Considering that the harm to the renown of the geographical indication "DARJEELING" by the registration of the trademark will be completely redressed by the allowance of a symbolic amount of one euro;

Considering that in order to stop the illegal acts, the requested injunction should be granted according to the terms specified in this ruling; the publication of the decision shall also be authorized in conformity with the terms of this ruling;

Whereas an order shall be transmitted to INPI [l'Institut national de la propriété industrielle] for entry in the national trademark register;

Considering that the provisions of Article 700 of the new Code of Civil Procedure should be to the benefit of THE TEA BOARD establishment, an amount of €2,000 shall be allowed in this respect;

Whereas the resolution of this dispute demands the rejection of the claim for damages and interest for abuse of process made by Jean-Luc DUSONG, as well as the one based on the provisions of the Article 700 of the new Code of Civil Procedure;

ON THESE GROUNDS:

[This court] vacates the judgment handed down [and]

Deciding anew,

States that the registration by Jean-Luc DUSONG of the semi-figurative trademark "DARJEELING," No. 02 3 193 817, harms the Indian geographical indication "DARJEELING" and causes damages to the interests represented by the Indian public institution THE TEA BOARD,

Declares the invalidity of trademark No. 02 3 193 817 belonging to Jean-Luc DUSONG,

Prohibits Jean-Luc DUSONG from using the name "DARJEELING" in any context whatsoever, subject to a fine of €00 for each infringement after a period of one month following the serving of this order, Reserves the right to liquidate this amount,

Orders Jean-Luc DUSONG to pay to the public institution THE TEA BOARD one symbolic euro for damages and interest,

Authorizes THE TEA BOARD to have the ruling of the present order published, in full or in part, in three French or foreign newspapers or journals of its choice at the expense of Jean-Luc DUSONG up to a global amount of €5,000 excluding tax,

States that the present decision shall be transmitted to the INPI for entry in the national trademark register,

Rejects the rest of the claims,

Orders Jean-Luc DUSONG to pay to the Indian public institution THE TEA BOARD the amount of €2,000 on the basis of Article 700 of the new Code of Civil Procedure,

Orders Jean-Luc DUSONG to pay expenses [associated with the proceeding], which may be recovered according to Article 699 of the new Code of Civil Procedure.

THE CLERK

THE PRESIDING JUDGE