

Pirates, all aboard Perfumes!

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No less than Twenty (20) major players in the perfumery market, such as Lancôme, Yves Saint Laurent, Kenzo, Diesel, Dior, L'Oréal, Chanel, etc., have undertaken a legal action against the website www.pirate-parfums.fr, which was proposing for sale perfumery products using written correlations.

Thereby, the websurfer was able to find a connection between a perfume he knows (such as MIRACLE, OPIUM, ACQUA DI GIO, etc.) and Pirate parfums' perfumes on the website, either by reading the description of the Pirate parfums' perfumes stating which is the competitors' product sharing the same main ingredients or by the way of the internal search engine where he was invited to 'find' his perfume, naming well-known product and being redirected to one of Pirate perfumes.

This schema was the special commercial approach of Pirate Parfums (company PIN), proposing for sale perfumes with very short marketing investments (same bottle of perfume whatever the content, black for men, white for women), no advertising investment... consequently low costs and every perfume connected with the name of a pre-existent well-known one.

In fact, Pirate Parfums legally based its commercial schema :

- At first, on the fact that in France no protection is given to fragrance (which is now considered as issued from know-how and not as an original creation that could be protected by copyright)
- Secondly, on the exception to the monopoly given to any trademark owner by the way of **comparative advertising**.

Indeed, the article L-713-2 of the French Intellectual Property Code states that reproduction, use or apposition of a trademark, even when adding words such as formula, way, system, imitation, type, method, etc.. for identical goods or services, is forbidden.

In parallele, the articles L.121-8 and L.121-9 of the French Consumer Code (that transcribes the Community Directive n°84/450) state that any advertising that compares goods or services by explicitly or implicitly identifying a competitor or its goods or services (so possibly trademarks) can be licit.

Of course, there are conditions to ensure that this kind of advertising is lawful and this was notably the topic discussed within the **Pirate Parfums case** judged in first instance on April 11, 2014 and waited by the actors of the French perfume Industry with a kind of impatience!

Here, judges confirm that a trademark owner can forbid any use of its trademark within a comparative advertising, even if this use does not challenge the essential goal of trademarks, i-e the guarantee of origin (so that there is no risk of confusion by the consumer in practice), but if this use is prejudicial to

the other functions of trademarks, such as guarantee of quality, communication, investment and promotion : the comparative publicity would be illicit.

In the case, the Court retained the following facts :

- Perfumes are clearly paralleled so that the website is making comparative advertisement on characteristics that are essential, relevant, representative of the goods of concern and that can be verified (key ingredient, head notes, heart notes, bottom notes).
- There is no risk of confusion for the consumer between claimants and defendant's perfumes as far as the names and packaging are different and claimants' products are clearly identified as competitor's products which are not sold on the website
- The marketing concept Pirate Parfums, presenting the website almost as a Robin Wood liberating perfumes and with its particular process of internal search engine, conducts to show the products for sale as imitations of the luxury brands fragrances
- The well-known trademarks are used by PIN to hang on consumers all the more so that they cannot smell the products via the website and just can expect to have an imitation of the perfume already known. Besides, it is confirmed from the purchasers' comments that they are looking for/ have found imitation of their usual perfume at low cost.

Judges so decided that PIN was taking unfair advantage of the reputation of the well-known brands, avoided much marketing investments and took dishonest benefit by the way of its website and commercial system.

The comparative advertisement was judged unlawful and the litigious use considered as an attempt to the communication, investment and advertisement functions of the trademarks in case. Infringement and violation of reputed trademarks were also noticed.

PIN has been condemned, per infringed trademark, to 12K€ to repair the damage to the brand value, its dilution and banalization and 10K€ for the loss of earnings, i.e. a **total amount of damages of around € 1,3 Million with provisional enforcement**, non including stand-by duties for the future, publication of the judgment in newspaper and on the litigious website and expenses.

It is true that some companies use comparative advertising, even if illicit or difficult to get it licit, because a buzz can be created with a benefit in the client's mind up to the possible legal damages. Nevertheless, it is a delicate law, requiring prudence, to apply and to ensure being on the safe border, in particular when it is the full basis of the commercial schema as a whole.

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