

Court of Appeal of Paris recognises distinctiveness of Havaianas pattern France - Casalonga Avocats

Cancellation Infringement

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In *Alpargatas SA v Too Beach, formerly SAS Nouvelle Drogali* (September 16 2014), the Paris Court of Appeal has reversed a decision of the Court of First Instance in which the latter had cancelled a Community trademark (CTM) registration (No 8170953, depicted below) for clothing, shoes and headgear in Class 25 of the [Nice Classification](#):



[Alpargatas SA](#), the owner of the CTM registration at issue, is the well-known manufacturer of the popular Brazilian flip flops sold under the mark HAVAIANAS.

In its 2010 summer catalogue, the company Too Beach offered three models of flip flops (in particular, one model called the 'Brazil model') reproducing the CTM and the characteristic elements of the Havaianas flip flops.

Alpargatas SA and its related companies brought an infringement and unfair competition action against Too Beach. The latter counterclaimed for the cancellation of the CTM registration.

The Court of First Instance cancelled the CTM but, on appeal, the Court of Appeal reversed this decision.

The request for cancellation was based on three grounds:

1. the existence of a prior unregistered right pursuant to Article 8(4) of the [Community Trademark Regulation \(207/2009\)](#);
2. the lack of distinctive character of the CTM; and
3. Alpargatas' alleged bad faith when applying for registration of the CTM.

The Court of Appeal dismissed the first ground, holding that Too Beach had not demonstrated the existence of a prior right.

With regard to the second ground, the Court of Appeal found that the mark was sufficiently distinctive and not a mere decoration, as claimed by the defendant. In support of this finding, the court relied on an opinion poll demonstrating that 92% of the people interviewed recognised the sign as a trademark. The court considered that the fact that the sign could have an ornamental function did not preclude it from also being perceived as a trademark.

With regard to the third ground, the court held that no evidence had been provided in support of the bad-faith claim.

In addition to the above, Too Beach had also filed a counterclaim arguing that the CTM registration should be revoked as it had become generic due to Alpargatas' failure to act. The court disagreed, finding that Alpargatas had actively defended its rights by filing numerous infringement and unfair competition actions.

As the decision cancelling the CTM registration was reversed, the court found that Alpargatas' infringement claim was admissible and well founded to the extent that the mark was reproduced on the products sold by Too Beach.

The court agreed with the First Instance Court, however, that Alpargatas' unfair competition and free-riding claims were not founded. It considered that, even though Too Beach was using the Brazilian flag, such use was not prohibited and the products clearly mentioned that they were made in China. Further, it found that the models offered by Too Beach were not identical copies of Alpargatas' models.

As a result, Too Beach was ordered to stop selling the products and the case was reported to a later date for a determination of the damages.

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