

Case C-324/09

L'Oréal SA and Others

v

eBay International AG and Others

(Reference for a preliminary ruling
from the High Court of Justice (England and Wales),
Chancery Division)

(Trade marks — Internet — Offer for sale, on an online marketplace targeted at consumers in the European Union, of trade-marked goods intended, by the proprietor, for sale in third States — Removal of the packaging of the goods — Directive 89/104/EEC — Regulation (EC) No 40/94 — Liability of the online-marketplace operator — Directive 2000/31/EC ('Directive on electronic commerce') — Injunctions against that operator — Directive 2004/48/EC ('Directive on the enforcement of intellectual property rights'))

Opinion of Advocate General Jääskinen delivered on 9 December 2010 I - 6019

Judgment of the Court (Grand Chamber), 12 July 2011 I - 6073

Summary of the Judgment

1. *Approximation of laws — Trade marks — Interpretation of Regulation No 40/94 and Directive 89/104 — Right of the trade mark proprietor to prevent third parties from using an identical sign for identical goods — Use of the trade mark within the meaning of Article 9 of the regulation and Article 5 of the directive — Sale, offer for sale or advertising on an*

online marketplace targeted at consumers in the European Union of products located in a third State

(Council Regulation No 40/94, Art. 9; Council Directive 89/104, Art. 5)

2. *Approximation of laws — Trade marks — Interpretation of Regulation No 40/94 and Directive 89/104 — Exhaustion of the rights conferred by a trade mark — Conditions — Product put on the market in the Community or in the European Economic Area*
(Council Regulation No 40/94, Art. 13(1); Council Directive 89/104, Art. 7(1))

3. *Approximation of laws — Trade marks — Interpretation of Regulation No 40/94 and Directive 89/104 — Right of the trade mark proprietor to prevent third parties from using an identical sign for identical goods — Use of the trade mark within the meaning of Article 9 of the Regulation and Article 5 of the directive — Resale of perfumes or cosmetic products whose packaging has been removed*
(Council Regulation No 40/94, Art. 9; Council Directives 76/768, Art. 6(1), and 89/104, Art. 5)

4. *Approximation of laws — Trade marks — Interpretation of Regulation No 40/94 and Directive 89/104 — Right of the trade mark proprietor to prevent third parties from using an identical sign for identical goods — Use of the trade mark within the meaning of Article 9 of the Regulation and Article 5 of the directive — Advertising on an internet referencing service*
(Council Regulation No 40/94, Art. 9(1)(a); Council Directive 89/104, Art. 5(1)(a))

5. *Approximation of laws — Trade marks — Interpretation of Regulation No 40/94 and Directive 89/104 — Right of the trade mark proprietor to prevent third parties from using an identical sign for identical goods — Use of the trade mark within the meaning of Article 9 of the Regulation and Article 5 of the directive — Meaning — Operation of an online marketplace — Not included*
(Council Regulation No 40/94, Art. 9; European Parliament and Council Directive 2000/31, Arts 12 to 15; Council Directive 89/104, Art. 5)

6. *Approximation of laws — Electronic commerce — Directive 2000/31 — Liability of intermediary service providers — Hosting*
(European Parliament and Council Directive 2000/31, Art. 14(1))

7. *Approximation of laws — Enforcement of intellectual property rights — Directive 2004/48 — Measures, procedures and remedies — Measures resulting from a decision on the merits of the case*
(European Parliament and Council Directive 2004/48, Art. 11)

1. When goods located in a third State, which bear a trade mark registered in a Member State of the European Union or a Community trade mark and have not previously been put on the market in the European Economic Area or, in the case of a Community trade mark, in the European Union, (i) are sold by an economic operator on an online marketplace without the consent of the trade mark proprietor to a consumer located in the territory covered by the trade mark or (ii) are offered for sale or advertised on such a marketplace targeted at consumers located in that territory, the trade mark proprietor may prevent that sale, offer for sale or advertising by virtue of the rules set out in Article 5 of First Directive 89/104 on trade marks or in Article 9 of Regulation No 40/94 on the Community trade mark. It is the task of the national courts to assess on a case-by-case basis whether relevant factors exist, on the basis of which it may be concluded that an offer for sale or an advertisement displayed on an online marketplace accessible from the territory covered by the trade mark is targeted at consumers in that territory.

The rules of Directive 89/104 and Regulation No 40/94 apply as soon as it is clear that the offer for sale of a trade-marked product located in a third State is targeted at consumers in the territory covered by the trade mark. If it were otherwise, operators which use electronic commerce by offering for sale, on an online marketplace targeted at consumers within the Union, trade-marked goods located in a third State, which it is possible to view on the screen and to order via that marketplace, would, so far as offers for sale of that type are concerned, have no obligation to comply with the European Union intellectual property rules. Such a situation would have an impact on the effectiveness (*effet utile*) of those rules.

In that regard, under Article 5(3)(b) and (d) of Directive 89/104 and Article 9(2)(b) and (d) of Regulation No

40/94, the use by third parties of signs identical with or similar to trade marks which proprietors of those marks may prevent includes the use of such signs in offers for sale and advertising. The effectiveness of those rules would be undermined if they were not to apply to the use, in an internet offer for sale or advertisement targeted at consumers within the Union, of a sign identical with or similar to a trade mark registered in the Union merely because the third party behind that offer or advertisement is established in a third State, because the server of the internet site used by the third party is located in such a State or because the product that is the subject of the offer or the advertisement is located in a third State.

Union territory would wrongly be subject to Union law.

(see paras 61-64, 67, operative part 1)

2. When the proprietor of a trade mark supplies to its authorised distributors items bearing that mark, intended for demonstration to consumers in authorised retail outlets, and bottles bearing the mark from which small quantities can be taken for supply to consumers as free samples, those goods, failing any evidence to the contrary, are not put on the market within the meaning of First Directive 89/104 on trade marks and Regulation No 40/94 on the Community trade mark.

(see para. 73, operative part 2)

However, the mere fact that a website is accessible from the territory covered by the trade mark is not a sufficient basis for concluding that the offers for sale displayed there are targeted at consumers in that territory. Indeed, if the fact that an online marketplace is accessible from that territory were sufficient for the advertisements displayed there to be within the scope of Directive 89/104 and Regulation No 40/94, websites and advertisements which, although obviously targeted solely at consumers in third States, are nevertheless technically accessible from

3. Article 5 of First Directive 89/104 on trade marks and Article 9 of Regulation No 40/94 on the Community trade mark must be interpreted as meaning that the proprietor of a trade mark may, by virtue of the exclusive right conferred by the mark, oppose the resale of perfumes and cosmetic products on the ground that the person reselling the goods has removed their packaging, when the consequence of that removal is that essential information, such as information relating to the

identity of the manufacturer or the person responsible for marketing the cosmetic product, is missing. When the removal of the packaging has not resulted in the absence of that information, the trade mark proprietor may nevertheless oppose the resale of an unboxed perfume or cosmetic product bearing his trade mark, if he establishes that the removal of the packaging has damaged the image of the product and, hence, the reputation of the trade mark.

Having regard to the wide variety of perfumes and cosmetics, the question whether the removal of the packaging of such goods harms their image – and thus the reputation of the trade mark that they bear – must be examined on a case-by-case basis. When perfumes or cosmetics are displayed without packaging, that may sometimes effectively convey the image of the product as a prestige or luxury product, whilst, in other cases, removing the packaging has precisely the effect of harming that image. Such damage may occur when the packaging is as important as, or more important than, the bottle or the container in the presentation of the image of the product created by the trade mark proprietor and his authorised distributors. It may also be the case that the absence of some or all the information required by Article 6(1) of Directive 76/768 on the approximation of the laws of the Member States relating to cosmetic products harms the product's image. It is for the trade mark proprietor

to establish the existence of the constituent elements of such harm.

Furthermore, a trade mark, the essential function of which is to provide the consumer with an assurance as to the identity of the product's origin, serves in particular to guarantee that all the goods bearing the mark have been manufactured or supplied under the control of a single undertaking which is responsible for their quality. When certain information, required as a matter of law, such as information relating to the identity of the manufacturer or the person responsible for marketing the cosmetic product, is missing, the trade mark's function of indicating origin is impaired in that the mark is denied its essential function of guaranteeing that the goods that it designates are supplied under the control of a single undertaking which is responsible for their quality.

Moreover, the question whether or not the offer for sale, or the sale, of trade-marked goods without their packaging and thus without certain information required under Article 6(1) of Directive 76/768 is a criminal offence under national law does not affect the applicability

of Union rules concerning intellectual property protection.

(see paras 78-83, operative part 3)

4. On a proper construction of Article 5(1)(a) of First Directive 89/104 on trade marks and Article 9(1)(a) of Regulation No 40/94 on the Community trade mark, the proprietor of a trade mark is entitled to prevent an online marketplace operator from advertising – on the basis of a keyword which is identical to his trade mark and which has been selected in an internet referencing service by that operator – goods bearing that trade mark which are offered for sale on the marketplace, when the advertising does not enable reasonably well-informed and reasonably observant internet users, or enables them only with difficulty, to ascertain whether the goods concerned originate from the proprietor of the trade mark or from an undertaking economically linked to that proprietor or, on the contrary, originate from a third party.

or services’ do not relate solely to the goods or services of a third party which is using signs corresponding to the trade marks but may also refer to the goods or services of other persons. The fact that an economic operator uses a sign corresponding to a trade mark in relation to goods which are not his own goods – in the sense that he does not have title to them – does not in itself prevent that use from falling within Article 5 of Directive 89/104 and Article 9 of Regulation 40/94.

With regard, specifically, to a situation in which the supplier of a service uses a sign corresponding to the trade mark of another person in order to promote goods which one of its customers is marketing with the assistance of that service, such a use falls within the scope of Article 5(1) of Directive 89/104 and Article 9(1) of Regulation No 40/94, when the use is such that a link is established between the sign and the service.

(see paras 91-92, 97, operative part 4)

In so far as the operator of an online marketplace used keywords corresponding to trade marks to promote its customersellers’ offers for sale of goods bearing those marks, that use related to goods or services identical with those for which those trade marks are registered. In that regard, the words ‘in relation to goods

5. The operator of an online marketplace does not ‘use’ – for the purposes of Article 5 of First Directive 89/104 on trade marks or Article 9 of Regulation No

40/94 on the Community trade mark – signs identical with or similar to trade marks which appear in offers for sale displayed on its site.

electronic commerce, in the Internal Market ('Directive on electronic commerce'), in particular in Section 4 of Chapter II, which concerns the 'liability of intermediary service providers' in electronic commerce and comprises Articles 12 to 15 of that directive.

If a sign identical with, or similar to, the proprietor's trade mark is to be 'used' within the meaning of Article 5 of Directive 89/104 and Article 9 of Regulation No 40/94, by a third party, that implies, at the very least, that that third party uses the sign in its own commercial communication. In so far as that third party provides a service consisting in enabling its customers to display on its website, in the course of their commercial activities such as their offers for sale, signs corresponding to trade marks, it does not itself use those signs within the meaning of that Union legislation. It follows that the use of signs identical with or similar to trade marks in offers for sale displayed on an online marketplace is made by the sellers who are customers of the operator of that marketplace and not by that operator itself.

(see paras 102-105, operative part 5)

6. Article 14(1) of Directive 2000/31 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market ('Directive on electronic commerce') must be interpreted as applying to the operator of an online marketplace when that operator has not played an active role allowing it to have knowledge or control of the data stored.

Inasmuch as it enables that use to be made by its customers, the role of the online marketplace operator cannot be assessed under Directive 89/104 or Regulation No 40/94, but must be examined from the point of view of other rules of law, such as those set out in Directive 2000/31 on certain legal aspects of information society services, in particular

The operator plays such a role when it provides assistance which entails, in particular, optimising the presentation of the offers for sale in question or promoting them.

When the operator of the online marketplace has not played an active role within the meaning of the preceding paragraph and the service provided falls, as a consequence, within the scope of Article 14(1) of Directive 2000/31, the operator none the less cannot, in a case which may result in an order to pay damages, rely on the exemption from liability provided for in that provision if it was aware of facts or circumstances on the basis of which a diligent economic operator should have realised that the offers for sale in question were unlawful and, in the event of it being so aware, failed to act expeditiously in accordance with Article 14(1)(b) of Directive 2000/31.

(see paras 123-124, operative part 6)

7. The third sentence of Article 11 of Directive 2004/48 on the enforcement of intellectual property rights must be interpreted as requiring the Member States to ensure that the national courts with jurisdiction in relation to the protection of intellectual property rights are able to order the operator of an online marketplace to take measures which contribute, not only to bringing to an end infringements of those rights by users of that marketplace, but also to preventing further infringements of that kind. Those injunctions must be effective, proportionate, and dissuasive and must not create barriers to legitimate trade.

(see para. 144, operative part 7)