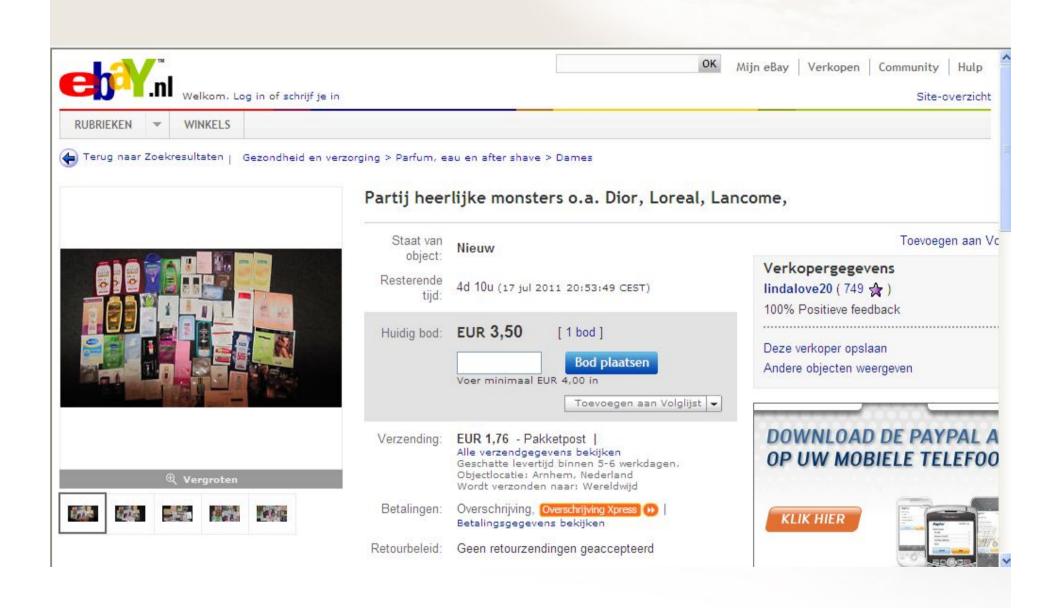
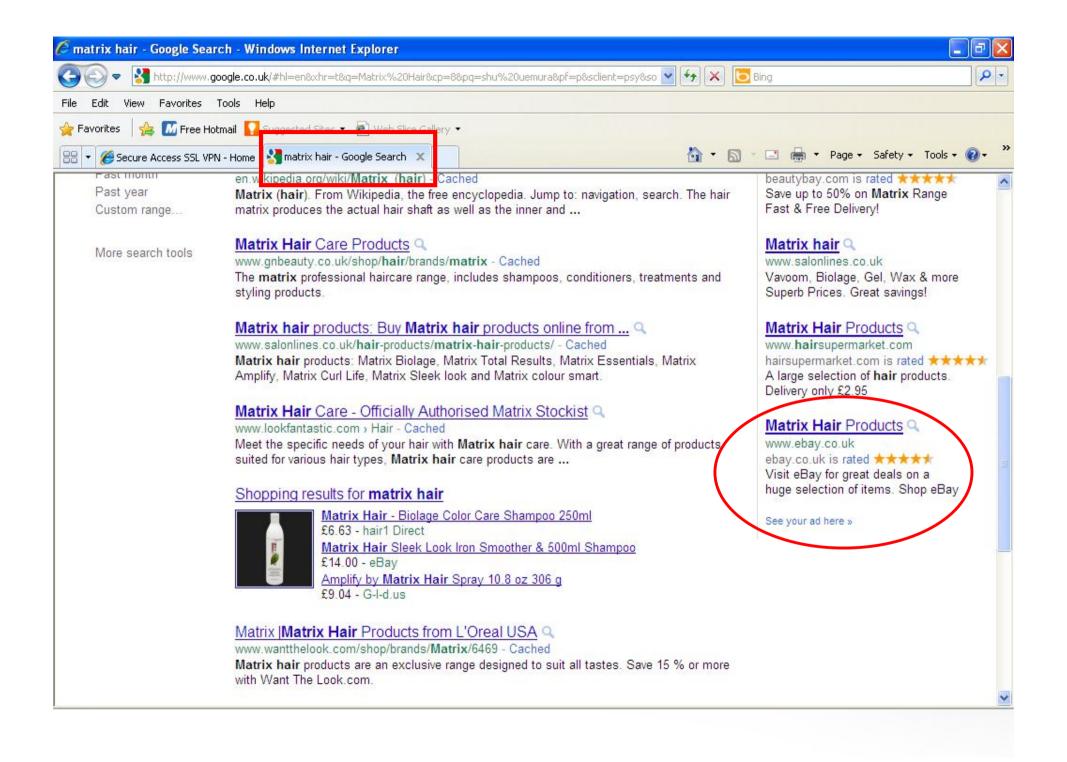
L'OREAL v eBAY

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NautaDutilh, University Groningen TRADE MARK LAW INSTITUTE July 14, 2011

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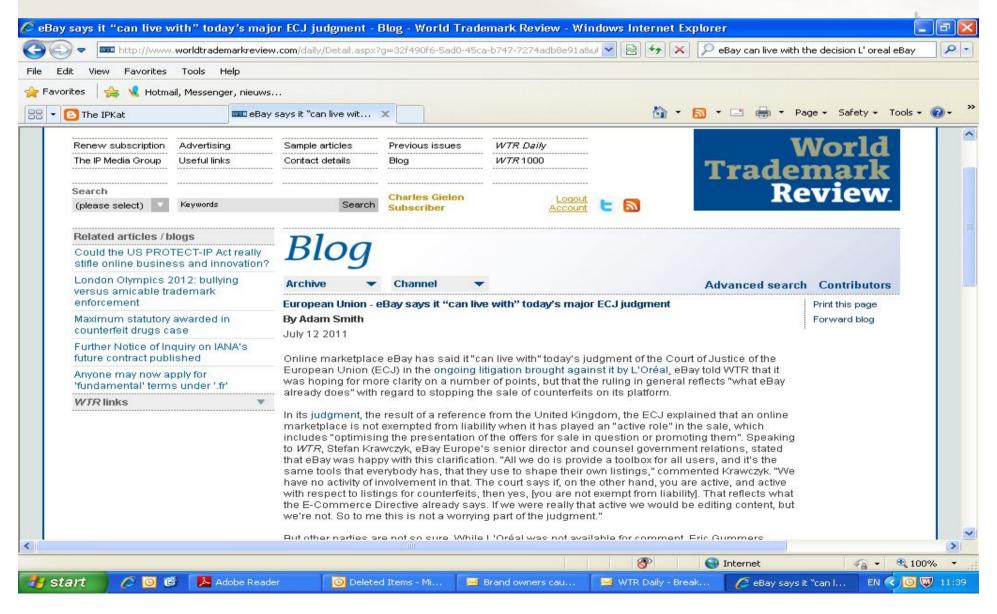




A nice balance?



A nice balance?



My menu

- ✓ Modalities of offers on eBay
- √ Use of TM's as keywords by eBay
- √ Use of TM's on eBay's site
- √ Liability of operator of online marketplace
- ✓ Possible measures against online marketplaces

Modalities of sale

- ✓ Course of trade?
 - ✓ Individual acts in the course of trade,
 - ✓ if owing to their volume, their frequency or other characteristics, the sales ... go beyond the realms of a private activity (55)
- ✓ Action against add for products not put on the EEA market?
 - ✓ Yes, if adds are targeted at EEA consumers
 - ✓ Mere accessibility not sufficient, but relevant factors are details on territory to which seller is willing to dispatch
 - ✓ <u>www.ebay.co.uk</u> appears to be targeted at EEA consumers (62-66)

Free testers

- ✓ Testers supplied free of charge to selected distributors: are not put on the market by tm-owner (71-72)
 - ✓ Silberquelle: Where such items are supplied free of charge, they thus cannot, as a rule, be regarded as being put on the market by the trade mark proprietor. (interesting: concerned genuine use, not exhaustion of right)
 - ✓ Confirmation of Coty

Unboxed products

- ✓ So far, only decisions on repackaging and the issue of adverse effect on product inside packaging
- ✓ Relation with Cosmetics Dir. 76/768 (a.o. mention of identity manufacturer): if such essential info is missing, TM-owner can act
- ✓ If info is not missing: TM-owner can only act if removal has damaged image product and, hence, repute of mark
- ✓ Also important for case of scratching away codes etc.

Keyword advertising by eBay

- ✓ Adds do 2 things
 - ✓ Promote eBay's own services _____ no use of TM for identical goods (so, not art. 5(1))
 - ✓ May be art. 5(2) Dir

Keyword advertising by eBay

- ✓ Adverse effect on function of TM?
- √ Google-formula confirmed (94) +
- ✓ In that regard transparency obligation (95): adds must, in any event, disclose:
 - ✓identity online marketplace operator
 - √ fact that goods are sold through operator

Google-formula = "Delphic"

- ✓ Add (keyword: lancome):
 - √ "Lancôme-perfumes: cheaper offers on www.ebay.nl"
 - ✓ Assume L' Oréal can prove that part of the perfumes appear to be fake; others are genuine
 - ✓ No way that one can draw conclusions regarding origin products
 - √AG's opinion more realistic

Use of TM's on eBay's site

- ✓ eBay is not using L' Oreal's marks in its own commercial communication
- ✓ Use of marks = use by sellers, not by eBay (103)
- ✓ Liability of eBay can only be assessed under other rules, such as e-Commerce Dir.

Liability eBay

- ✓ System e-Commerce Dir. (107-116):
 - √ Assessment liability = national law
 - ✓ Exemptions = European law
 - ✓ eBay = information society service provider (in sense Dir.)
 - ✓ Exemptions only if eBay is intermediary provider within scope art. 14 Dir

eBay intermediary provider?

- ✓ Yes, if activities confined to providing the service neutrally by a merely technical and automatic processing of the data
- ✓ No, if eBay plays an active role of such a kind as to give it knowledge of, or control over, those data (113)

eBay intermediary provider?

- ✓ Neutral:
 - ✓ stores offers for sale on its server
 - ✓ sets the terms of its service
 - ✓ is remunerated for that service and
 - ✓ provides general information to its customers (115)
- ✓ Active:
 - ✓ Providing assistance which entails, in particular, optimizing the presentation of the offers for sale or promoting those offers (116)
- ✓ eBay does both! (114)

eBay's liability exempted?

- ✓ Assuming eBay is neutral: no exemption, if eBay has been aware of facts or circumstances on the basis of which a <u>diligent economic operator</u> should have identified the illegality and acted in accordance with Article 14(1)(b) (120)
- ✓ Awareness can result from own investigation, or from being notified
- ✓ Notification = relevant factor for assessing liability, but for the exemption to be excluded, notification should be sufficiently precise or adequately substantiated (122)

eBay's liability exempted?

√Q's:

- √ does eBay (and others) have an obligation to do own investigations?
- ✓ what is a *diligent economic operator*?
- ✓ who should prove the facts and circumstances?

Measures against eBay?

- ✓ Art. 11 Enforcement Dir:
 - ✓ Member States shall ensure that, where a judicial decision is taken finding an infringement of an intellectual property right, the judicial authorities may issue against the **infringer** an <u>injunction aimed at prohibiting the continuation of the infringement</u>. ...
 - ✓ Member States shall also ensure that rightholders are in a position to apply for an <u>injunction</u> against intermediaries whose services are used by a third party to infringe an intellectual property right, ...

Measures against eBay?

- ✓ Position eBay that only specific and clearly identified infringements can be prohibited, is rejected (134); also further infringements can be prohibited
- ✓ But, this is restricted based on
 - ✓ eBay not having obligation to actively monitor all data in order to prevent future infringements
 - ✓ measures not to cause barriers to legitimate trade
- ✓ So, no general and permanent prohibition on the selling, on that marketplace, of goods bearing those trade marks (140)

Measures against eBay

- ✓ If no suspension of infringer takes place, it may be ordered to prevent further infringements of that kind by the same seller in respect of the same trade marks (141)
- ✓ Injunction must be effective, proportionate, dissuasive and must not create barriers to legitimate trade (143-144)

Measures against eBay?

- ✓ Also, eBay can be ordered to take measures to make it easier to identify its customer-sellers...; infringer must be clearly identifiable (142)
- ✓ Q:
 - ✓ what means make it easier? How to avoid use of aliases?
 - ✓ identifiable to whom?
 - ✓ obligation online market place to disclose identity to TM-owner? (notice and <u>track</u> down)
- ✓ Measures are not exhaustive (143) and are regardless of liability (127)

A nice balance?

- ✓ It seems so
- ✓ Lots of uncertainties as to what online market places are expected do
- ✓ MoU May 4, 2011

Thanks!

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