

# L'OREAL v eBAY

© Professor Charles Gielen

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



Vergroten



## Partij heerlijke monsters o.a. Dior, Loreal, Lancome,

Staat van object: **Nieuw**

Toevoegen aan Vc

Resterende tijd: 4d 10u (17 jul 2011 20:53:49 CEST)

Huidig bod: **EUR 3,50** [ 1 bod ]

Bod plaatsen

Voer minimaal EUR 4,00 in

Toevoegen aan Volglijst

Verzending: **EUR 1,76** - Pakketpost |  
Alle verzendgegevens bekijken  
Geschatte levertijd binnen 5-6 werkdagen.  
Objectlocatie: Arnhem, Nederland  
Wordt verzonden naar: Wereldwijd

Betalingen: Overschrijving, **Overschrijving Xpress** |  
Betalingsgegevens bekijken

Retourbeleid: Geen retourzendingen geaccepteerd

### Verkopergegevens

**lindalove20** ( 749 ☆ )

100% Positieve feedback

Deze verkoper opslaan

Andere objecten weergeven

**DOWNLOAD DE PAYPAL A  
OP UW MOBIELE TELEFOO**

**KLIK HIER**



matrix hair - Google Search - Windows Internet Explorer

http://www.google.co.uk/#hl=en&xhr=t&q=Matrix%20Hair&cp=8&pq=shu%20uemura&pf=p&client=psy&so

File Edit View Favorites Tools Help

matrix hair - Google Search

en.wikipedia.org/wiki/Matrix\_(hair) - Cached

Matrix (hair). From Wikipedia, the free encyclopedia. Jump to: navigation, search. The hair matrix produces the actual hair shaft as well as the inner and ...

Matrix Hair Care Products

www.gnbeauty.co.uk/shop/hair/brands/matrix - Cached

The matrix professional haircare range, includes shampoos, conditioners, treatments and styling products.

Matrix hair products: Buy Matrix hair products online from ...

www.salonlines.co.uk/hair-products/matrix-hair-products/ - Cached


Matrix hair products: Matrix Biolage, Matrix Total Results, Matrix Essentials, Matrix Amplify, Matrix Curl Life, Matrix Sleek look and Matrix colour smart.

Matrix Hair Care - Officially Authorised Matrix Stockist

www.lookfantastic.com > Hair - Cached

Meet the specific needs of your hair with Matrix hair care. With a great range of products suited for various hair types, Matrix hair care products are ...

Shopping results for matrix hair

 [Matrix Hair - Biolage Color Care Shampoo 250ml](#)  
£6.63 - hair1 Direct

[Matrix Hair Sleek Look Iron Smoother & 500ml Shampoo](#)  
£14.00 - eBay

[Amplify by Matrix Hair Spray 10.8 oz 306 g](#)  
£9.04 - G-l-d.us

Matrix |Matrix Hair Products from L'Oreal USA

www.wantthelook.com/shop/brands/Matrix/6469 - Cached

Matrix hair products are an exclusive range designed to suit all tastes. Save 15 % or more with Want The Look.com.

beautybay.com is rated ★★★★★  
Save up to 50% on Matrix Range  
Fast & Free Delivery!

Matrix hair

www.salonlines.co.uk  
Vavoom, Biolage, Gel, Wax & more  
Superb Prices. Great savings!

Matrix Hair Products

www.hairsupermarket.com  
hairsupermarket.com is rated ★★★★★  
A large selection of hair products.  
Delivery only £2.95

Matrix Hair Products

www.ebay.co.uk  
ebay.co.uk is rated ★★★★★  
Visit eBay for great deals on a  
huge selection of items. Shop eBay

See your ad here »

# A nice balance?

Wragge&Co

**LEGAL ALERT - 12 07 11**

Alerts

Analysis

Action

News centre

Contact us

## **INTELLECTUAL PROPERTY**

**EMOREI INSIGHT**



Brand owners cautiously jubilant following ruling of Court of Justice in L'Oreal v eBay

# A nice balance?

Windows Internet Explorer browser window showing the World Trademark Review (WTR) website. The address bar displays the URL: <http://www.worldtrademarkreview.com/daily/Detail.aspx?g=32f490f6-5ad0-45ca-b747-7274adb8e91a&ul>. The search bar contains the text "eBay can live with the decision L'oreal eBay".

The page content includes a navigation menu with links such as "Renew subscription", "Advertising", "Sample articles", "Previous issues", "WTR Daily", and "WTR 1000". A search bar is present with a dropdown menu set to "(please select)".

The main content area features a "Blog" section with the title "European Union - eBay says it 'can live with' today's major ECJ judgment" by Adam Smith, dated July 12 2011. The article text reads:

Online marketplace eBay has said it "can live with" today's judgment of the Court of Justice of the European Union (ECJ) in the ongoing litigation brought against it by L'Oréal. eBay told WTR that it was hoping for more clarity on a number of points, but that the ruling in general reflects "what eBay already does" with regard to stopping the sale of counterfeits on its platform.

In its judgment, the result of a reference from the United Kingdom, the ECJ explained that an online marketplace is not exempted from liability when it has played an "active role" in the sale, which includes "optimising the presentation of the offers for sale in question or promoting them". Speaking to WTR, Stefan Krawczyk, eBay Europe's senior director and counsel government relations, stated that eBay was happy with this clarification. "All we do is provide a toolbox for all users, and it's the same tools that everybody has, that they use to shape their own listings," commented Krawczyk. "We have no activity of involvement in that. The court says if, on the other hand, you are active, and active with respect to listings for counterfeits, then yes, [you are not exempt from liability]. That reflects what the E-Commerce Directive already says. If we were really that active we would be editing content, but we're not. So to me this is not a worrying part of the judgment."

The page also includes a sidebar with "Related articles / blogs" and "WTR links". The footer of the browser window shows the Windows taskbar with the Start button and several open applications: Adobe Reader, Deleted Items - Mi..., Brand owners cau..., WTR Daily - Break..., and eBay says it "can l...". The system clock shows 11:39.

# 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
  - ✓ [www.ebay.co.uk](http://www.ebay.co.uk) 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
  - ✓ Promote TM-owners goods → use in relation to identical goods if use is such that link is caused between TM and the service of eBay (*UDV*-order)

# 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](http://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 diligent economic operator 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 injunction aimed at prohibiting the continuation of the infringement. ...*
  - ✓ Member States shall also ensure that rightholders are in a position to apply for an injunction 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 track 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 to do
- ✓ MoU May 4, 2011



A person is silhouetted against a bright, hazy sunset sky, standing on the edge of a dark, rocky cliff. The background shows a vast, misty landscape with rolling hills or mountains under a soft, golden light.

# Thanks!

[charles.gielen@nautadutilh.com](mailto:charles.gielen@nautadutilh.com)