

## **CJEU provides clarifications on jurisdiction for on-line EU trademark infringement**

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On September 5, 2019, the Court of Justice of the European Union handed down a significant judgement on a request for a preliminary ruling concerning jurisdiction over EU trademark infringement performed electronically (CJEU, 05.09.2019, C-172/18, *AMS Neve et al. vs. Heritage Audio et al.*).

In essence, the CJEU was asked to clarify whether the owner of an EU trademark alleging that its rights were infringed by a third party through advertising and offers for sale displayed electronically, could bring an action against such third party before a court of the Member State in which consumers or traders targeted by the advertising/offers are located (in that case, the United Kingdom), notwithstanding that the third party took decisions and steps in another Member State aimed at that electronic display (in that case, Spain).

The Court's answer is affirmative, and is based on the interpretation of Article 97, Paragraph 5, of Regulation no. 207/2009 on the Community trademark (now Art. 125, Para. 5, Reg. no. 2017/1001 on the European Union trademark), whereby – in alternative to the forum of the Member State where the defendant is domiciled or established (provided under para. 1 of the same Article) – proceedings may be brought in the courts of the Member State in which the act of infringement was committed (or threatened).

More particularly, with reference to infringement acts consisting of advertising and offers for sale under a sign identical or similar to the mark at issue without the owner's consent, those acts should be held to have been "*committed*" in the territory where they can be characterized as advertising or offers for sale, namely, where their commercial content was in fact made accessible to the consumers and traders to whom it was directed.

As to the underlying rationale, the Court highlights the need to prevent the possibility, for any infringer who directs advertising and offers for sale to consumers within the European Union, to avoid the protection accorded to EU trademark rights, by relying on the fact that such advertising and offers for sale were placed online outside the Union.

Besides, if – contrary to the conclusion reached by the Court – the Member State in which the act of infringement was committed were to be identified with the place where the infringer "*set up his website and activated the display of his advertising and offers for sale*", any infringing third party domiciled or established within the EU could easily empty the alternative forum available to the trademark owner.

For that purpose, it would be enough that the territory where the advertising/offers for sale were placed online is the same territory where the infringer operating electronically is domiciled/established.

Similarly, the interpretation – also contrary to the Court’s construction – whereby the Member State in which the act of infringement was committed is the place where the infringer “*took decisions and technical measures to activate a display on a website*” is also inappropriate. In fact, in many cases it could prove excessively difficult for the owner to identify that place. Before the institution of proceedings (as opposed to situations in which proceedings are already pending), it would be impossible to compel the defendant to disclose such place.

The arguments put forward by the Court in this recent judgment echo to a certain extent a previous landmark decision in relation to trademark protection on the Internet (CJEU, 12.07.2011, C-324/09, *L’Oréal et al. vs. eBay et al.*). As recalled by the Court, already in the *L’Oréal* decision (para. 63) it was ruled that trademark infringement performed through on-line offers for sale and advertising targeted at consumers within the EU is not prevented by the mere fact that the third party behind that offer or advertisement is established in a third State, that the server of the internet site utilized by the third party is located in such a State, or that the product that is the object of the offer or advertisement is located in a third State.

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