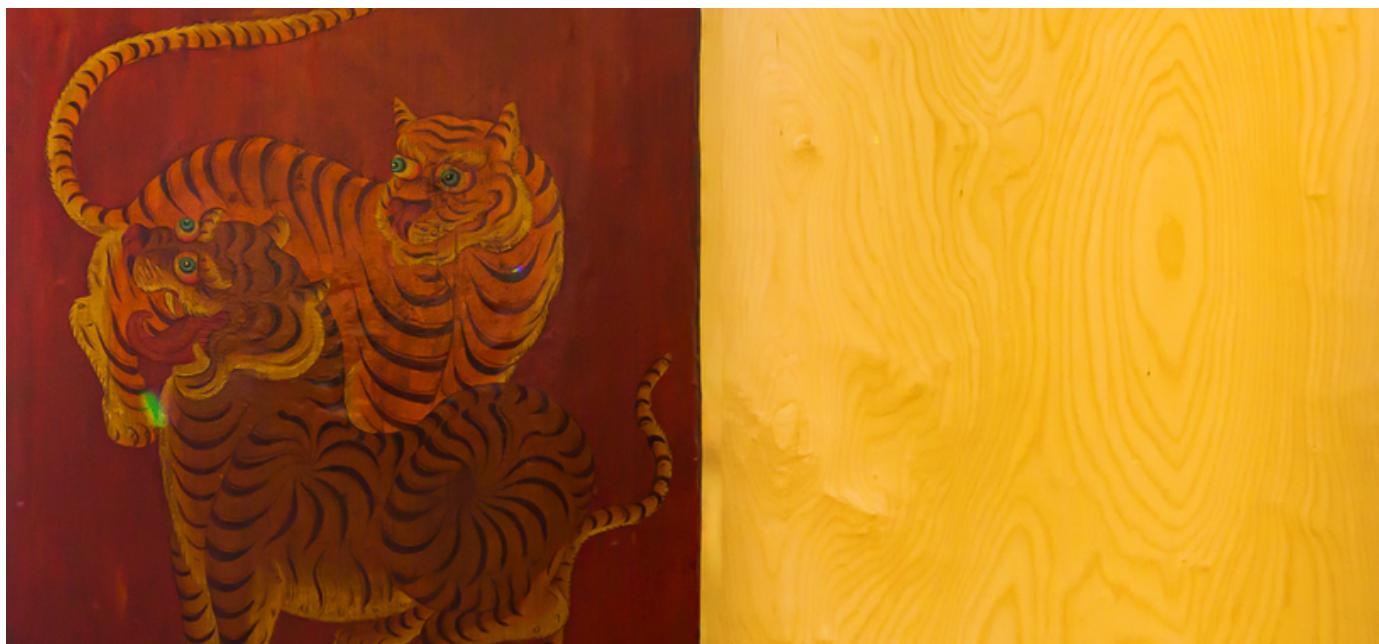


NEWSLETTER CVA



AMAZON'S LIABILITY FOR USING TRADEMARK RIGHTS

On 22 December 2022, the Grand Chamber of the Court of Justice of the European Union ('Court of Justice') delivered its judgment in joined cases C-148/21 and C-184/21, *Louboutin (Usage d'un signe contrefaisant sur un marché en ligne)*, clarifying the circumstances in which Amazon may be held liable for infringements of trademark rights protected by the Trademark Regulation 2017/1001 (the 'Trademark Regulation'), concerning goods of third-party sellers for sale on Amazon's marketplace.

Mr. Christian Louboutin is a French designer best known by his high-heeled women's shoes with red outer sole. Such colour, applied to the high-heeled shoe, has been registered as an European Union trademark since 10 May 2016 ('the trademark at issue').

In the fall of 2019, Mr. Louboutin filed two lawsuits against Amazon before a Luxembourg and a Belgian Court, essentially claiming that the latter had infringed the exclusive rights conferred by the trademark at issue. The allegedly infringing conduct consisted essentially of displaying, on its online marketplace, advertisements of third-party sellers relating to goods bearing that identical sign, as well as on account of the stocking, shipment and delivery of those goods (see paragraphs 12 and 18 of the judgment).

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In their reference for a preliminary ruling, the national courts asked the Court of Justice whether, and if so under what conditions, the operator of an online marketplace such as Amazon may be held directly liable under Article 9(2) of the Trademark Regulation for infringement of trademark rights where a third-party seller on its platform uses on its products a trademark belonging to another person.

Advocate General ('AG') Szpunar, whose Opinion was delivered on 2 June 2022, advised the Court of Justice to rule that, although Amazon's commercial offer includes services ranging from posting offers for sale to delivering goods, it cannot be held directly liable for the sale on its platform of goods infringing trademarks protected by the Regulation.

In order to reach this conclusion, the AG clarified the concept of 'use' of the trademark by an online intermediary. In his view, that concept should be applied from the point of view of a user of the platform concerned. In that regard, he pointed out that it is clear from the settled case-law of the Court of Justice that use by an internet intermediary presupposes, 'at the very least, that that third party uses the sign in its own commercial communication' (see paragraph 30 of the AG's Opinion).

As regards the impact of Amazon's commercial practices on the recognition of 'use' of the trade mark within the meaning of European Union ('EU') law, AG Szpunar recalled that the only situation envisaged was that of the operator of an online sales platform being directly liable for the use of a sign identical to a trade mark. In addition, the AG noted that the commercial offers of third parties and of Amazon are presented in a uniform manner and that each contains the Amazon logo, but that the advertisements always specify whether the goods are sold by third-party sellers or directly by Amazon.

The Court of Justice was of the view, however, that Amazon could be regarded as 'using' Louboutin's trademark if users of its website were to believe that Amazon was the seller of Louboutin shoes under its own name and on its own account. That may be the case where Amazon presents all the advertisements on its website in a uniform manner, where it displays its own well-known distributor logo on the advertisements of third parties and where it offers additional services consisting of the storage and dispatch of the goods in question (see paragraph 54 of the judgment).

The Court emphasised that the assessment of this particular infringement of trademark rights depends on whether a well-informed and reasonably observant user of the platform establishes a link between the operator's services and the sign in question (see paragraph 43 of the judgment), in particular where such a user, taking into account all the circumstances of the case, may believe that the platform operator is the person selling the goods bearing the sign in his own name and for his own account (see paragraph 48 of the judgment).

Where the operator of an online sales website with an online marketplace displays both its own advertisements and those of third-party sellers in a similar manner and places its own logo as a reputable distributor on all the advertisements, including those relating to goods offered by third-party sellers, it may be difficult to make a clear distinction between goods marketed in the name and on behalf of the website and goods offered for sale by third-party sellers (see paragraph 51 of the judgment).

In previous cases, such as *L'Oréal v. eBay* (see the judgment here), the Court of Justice has held that online marketplaces (such as eBay) did not 'use' signs identical with or similar to trademarks which appeared in offers for sale displayed on their websites. The Court considered that the use of signs 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 (paragraph 103 of the judgment). Indeed, the service provided by the operator of the market place includes the display, for its customers/sellers, of offers for sale originating from the latter (see paragraph 99 of the judgment). Although the online marketplace may also incur liability, this must be assessed in accordance with Directive 2000/31, in particular Chapter II, Section 4, which concerns the 'liability of intermediary service providers' in electronic commerce (see paragraph 104 of that judgment).

It should be noted that the facts present in *Louboutin* and in *L'Oréal v eBay* are not similar. For instance, in *Louboutin*, the goods were delivered directly by Amazon. Therefore, although the Court seems to have gone further than in previous judgments, we are not witnessing a reversal in jurisprudence.

Nevertheless, the judgment provides national courts with the necessary elements of interpretation of EU law which may be useful to them. It is now for those courts to determine whether, in each case, the platform operator (in the cases at stake, Amazon) is using a sign identical to the trade mark at issue for goods identical to those for which that mark is registered within the meaning of Article 9(2)(a) of Regulation 2017/1001 (see paragraph 38 of the judgment).