

Online platforms: storing infringing products on behalf of third parties does not constitute trademark use

Posted 01.09.2020

On 2 April 2020, the Court of Justice of the European Union (“CJEU”) rendered a judgment ¹ in a dispute between companies of the Amazon group and Coty Germany GmbH (“Coty”), a distributor of perfumes that holds a licence for the EU trademark “Davidoff”, registered for perfumes, essential oils and cosmetics.

Coty initiated proceedings in Germany against four companies of the Amazon group alleging that these companies committed a trademark infringement by storing Davidoff perfume bottles in Amazon warehouses that were subsequently sold, without Coty’s authorisation, on the Amazon online marketplace by third-party sellers through the “Fulfilment by Amazon” scheme. Indeed, through this scheme, Amazon offers, in particular, the possibility for third-party sellers to make use of Amazon’s warehouses subject to the payment of a fee. It should be noted that the trademark rights on the perfume bottles concerned were not exhausted, that is, Coty had not previously put those perfume bottles on the European Union market

The first courts in Germany dismissed the action brought by Coty and the Federal Court of Justice (Germany) decided to stay the proceedings and refer the following question to the CJEU for a preliminary ruling: *“Does a person who, on behalf of a third party, stores goods which infringe trade mark rights, without having knowledge of that infringement, stocks those goods for the purpose of offering them or putting them on the market, if it is not that person himself but rather the third party alone which intends to offer the goods or put them on the market?”*

The CJEU responded negatively and underlined that such a storage operation does not constitute a “trademark use” pursuant to the EU regulation on the European Union trademark² (the “EU Trademark Regulation”), since Amazon had not itself offered the perfume bottles for sale or put

them on the market and did not intend to do so. Similarly, Amazon did not itself use the sign in its own commercial communications.

Pursuant to the EU Trademark Regulation, the use of a trademark is subject to the prior authorisation of the holder of the trademark rights. However, in the absence of trademark use, Amazon cannot be found liable for infringement of the trademark rights over the sign “Davidoff”.

The CJEU reiterated that the liability of an economic operator in relation to a trademark use may be assessed in light of other provisions such as the Directive on electronic commerce³ or the Directive on the enforcement of intellectual property rights⁴. However, in the case at hand, the question submitted to the CJEU was worded in a narrow way thus giving the possibility for the CJEU not to pursue its analysis.

If this ruling covers an interesting point and was greeted with relief by online platforms, its concrete impact on online platforms must not be exaggerated. It is only limited to the storing of goods infringing trademark rights by a person on behalf of third parties, that person not being aware of the infringement. There is little doubt that the broader role of online platforms such as Amazon (advertising sale offers by third parties on the online platform, handling return of defective products, managing the payment process, etc.) in the sale of goods by third-party sellers would be emphasised by the referring courts in future proceedings.

This may also interest you :

- Do intermediaries have the obligation to provide the email address of alleged counterfeiters?
- Brexit: European Union Trademarks – Situation as from 1 January 2021
- Breach of software licence in relation to IP rights and availability of the infringement action: a welcome clarification from the CJEU

1 Case C-567/18 Coty Germany GmbH v Amazon Services Europe Sàrl, Amazon Europe Core Sàrl, Amazon FC Graben GmbH and Amazon EU Sàrl.

2 The provisions in question are specifically Article 9(2)(b) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark and Article 9(3)(b) of Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark.

3 Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market.

4 Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights.

For any further information please contact us or visit our website at **www.elvingerhoss.lu**.

The information contained herein is not intended to be a comprehensive study or to provide legal advice and should not be treated as a substitute for specific legal advice concerning particular situations.

We undertake no responsibility to notify any change in law or practice after the date of this newsletter

ELVINGER HOSS PRUSSEN

Société anonyme, Registered with the Luxembourg Bar, RCS Luxembourg B 209469, VAT LU28861577