

**Does Amazon use someone else's trademark to market products?**

**A Amazon usa a marca registrada de outra pessoa para comercializar productos?**

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**ABSTRACT:** In the case involving the interpretation of the requirement of “use in the context of its own commercial communication”, the CJUE ruled that an e-commerce platform with the characteristics of Amazon may use the sign in this manner when third-party sellers use it use in products they market on its website. This comment analyses the judgment and presents the author’s position.

**KEY WORDS:** Use in the context of its own commercial communication; ISSP liability; Primary or direct trademark liability; Trademark infringement; Secondary liability; Amazon v. Christian Louboutin.

**RESUMO:** No tocante à questão que versa sobre a interpretação do requisito de “utilização no contexto de sua própria comunicação comercial”, o Tribunal de Justiça da União Europeia (TJUE) deliberou que uma plataforma de comércio eletrônico com características assemelhadas às da Amazon pode empregar o referido sinal dessa maneira, quando vendedores terceirizados o utilizam em produtos que comercializam em sua plataforma. O presente comentário analisa minuciosamente a referida decisão e expõe a posição do autor.

**PALAVRAS-CHAVE:** Uso no contexto de sua própria comunicação comercial; Responsabilidade do ISP (provedor de serviços de Internet); Responsabilidade primária ou direta por violação de marca registrada; Violação de marca registrada; Responsabilidade secundária; Amazon v. Christian Louboutin.

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## 1. Introduction

On 22 December 2022, the Court of Justice of the European Union (CJUE) renders preliminary rulings in joined cases C- 148/21 and C-184/21<sup>1</sup>, in response to requests for preliminary rulings made by the Luxembourg District Court and the Tribunal des Entreprises Francophones de Bruxelles, relating to two disputes between the fashion designer Christian Louboutin and Amazon.

In this judgement, the CJEU again rules on the requirement of *use* of the sign, established in EU trademark law, specifically in Article 9 (2) (a) of Regulation (EU) 2017/1001<sup>2</sup>. The Court's interpretation focuses on the definition of the "*use in the context of its own commercial communication,*" first established in the preliminary ruling in Joined Cases C-236/08 to C-238/08<sup>3</sup> and partially developed in other preliminary rulings<sup>4</sup>.

Similar to what happened on the cases *e-Bay v. L'Oreal*<sup>5</sup> and *Amazon v. Coty Germany*<sup>6</sup>, the fundamental question that the CJEU resolves is the following: Under certain circumstances, can it be considered that e-commerce platforms make use of a sign relevant for EU trademark law when third-party sellers in a virtual marketplace use a sign identical or similar to another's trademark to identify identical or similar goods or services that they market using an information society service provider (ISSP)?

## 2. Facts

Christian Louboutin, renowned for his shoe and handbag designs, marks his high-heeled shoes with a distinctive red sole, specifically using the Pantone 18-1663TP color. This sign feature has been registered as a Benelux trademark.

Louboutin initiated lawsuits against the online marketplace operator, Amazon, in both the tribunal d'arrondissement de Luxembourg and the tribunal de l'entreprise francophone de Bruxelles. He alleged that Amazon infringed his trademark rights, according to Article 9(2)(a) of Regulation 2017/1001. His main contention was that Amazon, without obtaining his authorization, used a sign identical to his trademark to identify identical products. This was because Amazon displayed advertisements in its own web site and third-party sites selling red-soled shoes. Additionally, Amazon offered third-party sellers services to optimize their advertisements and provided an assortment of logistic services, encompassing storage, shipping, and delivery of the said goods. Louboutin argued that, considering certain features

<sup>1</sup> Joined Cases C-148/21 and 184/21 *Christian Louboutin v. Amazon*, EU:C:2022:1016.

<sup>2</sup> Regulation (EU) 2017/1001 on the European Union Trade Mark OJ L 154.

<sup>3</sup> Joined Cases C-236/08 and 238/08 *Google France*, EU:C:2010:159.

<sup>4</sup> Case C-324/09 *L'Oréal v. eBay and others*, EU:C:2011:474; Case C-567/18 *Coty Germany GmbH v. Amazon*, EU:C:2020:267; Case C-119/10 *Frisdranken Industrie Winters BV v. Red Bull GmbH*, ECLI:EU:C:2011:837; Case C-379/14 *Top Logistics, Van Caem International BV v. Bacardi*, ECLI:EU:C:2015:497.

<sup>5</sup> Case C-324/09 *L'Oréal v. eBay and others*, EU:C:2011:474.

<sup>6</sup> Case C-567/18 *Coty Germany GmbH v. Amazon*, EU:C:2020:267.

of Amazon's service, the online marketplace operator was deploying the sign as part of its own commercial communication.

In response to Louboutin's claims, Amazon counters by referencing the preliminary judgments given by the CJEU, particularly highlighting the eBay case. Asserting its role as a Provider of Information Society Services (ISSP), Amazon clarifies that it does not use the sign that is identical to Louboutin's trademark in its own commercial communications. Instead, it is the user-sellers on its platform who do. Amazon emphasizes its position as a simple intermediary in the transaction process.

Moreover, Amazon contends that its online platform is not notably distinct from other similar marketplaces. The mere fact that its logo appears alongside user-seller advertisements should not be interpreted as Amazon taking ownership of these sales listings. Additionally, the company asserts that the supplementary services it furnishes, such as logistics, do not suggest that they're engaging in the disputed use as claimed by Louboutin.

In summary, the referring courts are inquiring whether, under Article 9(2)(a) of the EU Trademark Regulation, the operator of an e-commerce platform—where both ISSP's own products and third-party products are sold—can be considered to be using a sign identical to another's trademark when users of the platform utilize it for marketing their products. The courts also question if this interpretation would be altered by the next facts:

- a) The operator of the electronic marketplace employs a consistent presentation for the sale offers of its own products and those of its user-sellers on its virtual marketplace and on third-party websites, including featuring its well-known brand in the snippets to identify its services; and;
- b) The operator offers its users additional services aimed at enhancing the performance of their advertisements and facilitating the shipment of goods to buyers.

Furthermore, the national courts are questioning whether consumer perception should be considered when conducting this analysis, specifically in verifying the requirement of use within the context of its own commercial communication.

### 3. Opinion of the Advocate General and Reasoning of the Court

In his conclusions for cases C-148/21 and C-184/21<sup>7</sup>, Advocate General (AG) Maciej Szpunar elaborates on the definition of “use in its own commercial communication”. Szpunar suggests that for a sign to be considered as used in the context of ISSP's own commercial communication, the average consumer must establish a connection or association between the

<sup>7</sup> Opinion of Advocate General Maciej Szpunar in Joined Cases C-148/21 - C-184/21 *Louboutin v. Amazon*, ECLI:EU:C:2022.

sign and the service being provided. This would occur when the service provider incorporates the sign in a way that integrates it into their own communication efforts<sup>8</sup>.

In addressing the questions submitted for preliminary ruling, AG Szpunar argues that even when considering the additional elements pointed out by the courts, it must be concluded that Amazon is not using the sign within the scope of its own commercial communication. In terms of how the advertisements are presented, Szpunar notes in paragraphs 84-87 that these clearly indicate whether the products are being sold by third-party users or by Amazon itself. He adds that the average consumer is well aware that the virtual marketplace offers not only products sold directly by this ISSP but also those sold by third parties.

Regarding Amazon's supplementary logistics services, AG Szpunar states: "(...) it remains evident to reasonably well-informed and observant internet users that the intention to offer and put the goods on the market lies solely with the third-party seller".<sup>9</sup>

In its ruling, the Court of Justice of the European Union (CJEU) decided to deviate from its previous interpretation set forth in the eBay v. L'Oreal case, due to differences between the eBay and Amazon virtual marketplaces. Specifically, the Court noted that in earlier preliminary rulings, it had not had the opportunity to rule on the usage of a sign identical or similar to a trademark by a platform that sells not only products from third-party sellers but also its own merchandise.

In the course of its analysis, the CJEU defines the term "own commercial communication" as a form of communication directed at third parties, aimed to "(...) promote its activity, goods, or services or to indicate the exercise of such an activity."<sup>10</sup>

The Court then concludes that a sign is being used within the context of an economic operator's own commercial communication when there is an established link or association between the sign and its goods or services. Importantly, the Court adds an additional criterion for the analysis: the *perception of the average consumer*, who is normally informed and reasonably attentive, must be considered. The existence of a link or association between the sign in question and the goods or services of the economic operator concerned must lead the average consumer to believe that the economic operator is *marketing* the goods identified with the sign under *their own name and on their own account*.

The CJEU states that, in order to determine what the average consumer's perception is, the design of the advertisements and the website and the nature and extent of the services it provides are relevant criteria.

In relation to the questions referred for a preliminary ruling, the Court states:

a) "(...) the fact that the operator of an online sales website incorporating an online marketplace uses a uniform method of presenting the offerings published on its website, displaying both its own advertisements and those of third-party sellers and placing its own logo as a renowned

<sup>8</sup> Ibid. paras. 56-58.

<sup>9</sup> Ibid. para. 93.

<sup>10</sup> Ibid. para. 39.

distributor on its own website and on all those advertisements, including those relating to goods offered by third-party sellers, may make it difficult to draw such a clear distinction and thus to give the well-informed and reasonably observant user the impression that that operator is marketing, in its own name and on its own behalf, the goods offered for sale by those third-party sellers. Consequently, when those goods bear a sign which is identical with a trade mark of another person, that uniform presentation may establish a link, in the eyes of those users, between that sign and the services provided by that same operator.

In particular, where the operator of an online sales website describes the various offerings, from itself or a third party, without distinguishing them as to their origin, as 'bestsellers' or 'most sought after' or 'most popular' for the purpose inter alia of promoting some of those offerings, that presentation is likely to strengthen the impression of the well-informed and reasonably observant user that those goods thus promoted are being marketed by that operator, in its own name and on its own behalf<sup>11</sup>.

b) "Second, the nature and scope of the services provided by the operator of an online sales website incorporating an online marketplace to the third-party sellers who offer goods bearing the sign at issue on that marketplace, such as the services consisting inter alia in dealing with the questions of the users relating to those goods or to the storage, shipping and management of returns of those goods, are also likely to give the impression, to a well-informed and reasonably observant user, that those same goods are being marketed by that operator, in its own name and on its own behalf, and may thus establish a link, in the eyes of those users, between its services and the signs placed on those goods and in the advertisements of those third-party sellers."<sup>12</sup>

## 4. Comment

Unlike the preliminary ruling in the *Google France*<sup>13</sup> case, and even some decisions rendered in the offline context, such as *Top Logistics*<sup>14</sup> and *Frisdranken Industrie Winters*<sup>15</sup>, in which the requirement of "use in the context of its own commercial communication" is used to exclude the conduct of the service provider from the scope of trademark law, and that handed down in *eBay*, in which considering that the operator of a virtual marketplace uses the sign in this sense appears to be an exception to the general rule, in the judgment under discussion, the Court opens the possibility of considering that virtual marketplaces such as Amazon make use of the sign relevant to trademark law.

The relevance of the judgement in *Amazon v. Louboutin* lies in the fact that the CJEU attempts to define the requirement of use in the context of its own commercial communication and, for the first time, establishes that an e-commerce platform with the characteristics of Amazon may, under certain circumstances, use the sign in this way when its users use it on products

<sup>11</sup> Ibid. paras. 51 -52.

<sup>12</sup> Ibid. para. 53.

<sup>13</sup> Joined Cases C-236/08 and 238/08 *Google France*, EU:C:2010:159.

<sup>14</sup> Case C-379/14 *Top Logistics, Van Caem International BV v. Bacardi*, ECLI:EU:C:2015:497.

<sup>15</sup> Case C-119/10 *Frisdranken Industrie Winters BV v. Red Bull GmbH*, ECLI:EU:C:2011:837.

they market on its website. This allows the platform to be held *directly or primarily liable* for trademark infringement if the other conditions for protection are met (use in relation to goods and services and use that adversely affects, or is liable to affect, the functions of the trademark). The requirement of use within its own commercial communication is part of the condition of use in the course of the trade, according to the CJUE. Nevertheless, the discussion seems to revolve more around the action of using the sign by the ISSP.

The CJEU had already referred to the Amazon's trading platform in the judgement C-567/18 (*Coty Germany*), but on that occasion it did not address the question of whether providing logistics services, particularly a storage service for the products offered by its user-sellers, implies that the ISSP intends to offer or market them itself, and therefore, whether it uses the sign in the context of its own commercial communication. In fact, it merely notes that, according to the wording of the question referred for a preliminary ruling, this is a case in which the ISSP acts without such intent. On contrary, in the judgement in the *Amazon v. Louboutin*, the Court provides an interpretation about whether the operating method of Amazon may lead to the use, specifically concerning the delivery services of the goods.

In this case, *Amazon v. Christian Louboutin*, although the Court does not assert that Amazon uses a sign identical to the trademark as forming part of its own commercial communication, as it is not within its competence to do so, the use of the word "may" in paragraphs 51 to 54 and the conclusions drawn from its interpretation allow the judges of the Member States to conclude that the presentation of the advertisements and design of the website by the e-commerce platform, the ancillary services it provides to enhance performance, and/or the shipping of goods to user-buyers lead the average consumer to believe that the ISSP markets the goods in its own name and on its own account. In other words, it opens the door for judges to consider that the sign is an integral part of the commercial communication of the operator of the platform and therefore that the service provider is directly liable as trademark infringer, should they deem it appropriate.

A situation like the one mentioned in the preceding paragraph, which allows room for interpretation by the judges of the Member States, has arisen concerning the interpretation of the terms "purely intermediary provider" and "active provider," which determine whether the liability exemption in Article 14 of Directive 2000/31/EC<sup>16</sup> (article 6 of Regulation (EU) 2022/2065<sup>17</sup>) applies to hosting ISSPs.

Articles 12 to 14 of Directive 2000/31/EC (articles 4 to 6 of Regulation (EU) 2022/2065) establish safe harbors or exemptions from liability for ISSPs for illegal behaviors that occur using their services. According to Article 14, which regulates the exemption from liability for hosting service providers such as Amazon, the ISSP will not be considered liable unless the provider has actual knowledge of illegal content, or is aware of facts and circumstances from

<sup>16</sup> Directive 2000/31/EC on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market [2000] OJ L 178.

<sup>17</sup> Regulation 2022/2065 on a Single Market for Digital Services and amending Directive 2000/31/EC [2022] OJ L 277.



which the illegal information is apparent (in the case of a claim for damages), and does not act expeditiously to remove or disable access to it<sup>18</sup>.

In preliminary rulings in joined cases C-236/08 and C-238/08 (Google France) and C-324/09 (eBay), the CJEU introduced for the first time the concept of “purely intermediary service provider” to delineate the scope of the liability exemptions provided for in Directive 2000/31/EC. Through an interpretation of recital forty-two of this Directive, the Court defines this ISSP as one whose behavior is purely technical, automatic, and passive. These characteristics allows us to deduce that it has no knowledge or control over the data it stores at the request of its users. This type of provider can benefit from safe harbors if it meets the conditions established in Article 14 of the Directive. On the other hand, the active ISSP, that is, one that does not meet the mentioned conditions and has knowledge or control over the data it hosts, cannot avail itself of the liability exemption<sup>19</sup>. This requirement was confirmed by Regulation (EU) 2022/2065. In the case of e-commerce platforms, their behavior will be considered active, according to the CJUE, if they assist their users through the optimization of sales offers or their promotion, as indicated in eBay<sup>20</sup>.

Article 6 of Regulation (EU) 2022/2065 modifies Article 14 of Directive 2000/31/EC by adding a paragraph 2, which states that the safe harbor “(...) shall not apply where the recipient of the service is acting under the authority or the control of the provider”. Let us wait and see how the CJEU interprets this provision. From my perspective, concerning trademark law, the ISSP must exercise specific control over the use of the trademark by their users in order not to benefit from the exemption from liability.

If the ISSP is deemed to be an active provider or fails to comply with the conditions set out in Article 14, it is not automatically held liable, and its secondary or indirect liability will be determined in accordance with the national laws of the Member States of the European Union. In general terms, secondary liability arises when a provider contributes to, facilitates, or promotes the illegal conduct of the direct or primary trademark infringer, who is often one of its users.

In France, in some decisions<sup>21</sup>, judges considered that eBay was not merely an intermediary provider. They argued that eBay actively promoted and optimized offers for the sale of products marketed by its user-sellers, allowed them the option of having an online store, and offered them the opportunity to become a “power seller,” among other additional services<sup>22</sup>.

Regarding the active role of the provider, Esther Arroyo presents the following criticism:

<sup>18</sup> Regulation 2022/2065 on a Single Market for Digital Services and amending Directive 2000/31/EC [2022] OJ L 277.

<sup>19</sup> CJUE, Google France, para. 112 y 113; CJUE, eBay, para. 112.

<sup>20</sup> CJEU, eBay, para. 116.

<sup>21</sup> Court of Appeals of the Civil Division of Reims (1st section), July 20, 2010, eBay France and eBay International vs. Hermès International; Paris Court of Appeals, Pôle 5, courtroom 2, September 3, 2010, eBay Inc. and eBay International vs. Christian Dior Couture; Paris Court of Appeals, Pôle 5, chamber 12, January 23, 2012.

<sup>22</sup> About this discussion see: DENNIS LIEVENS, “L`Oréal v. eBay – Welcomed in France, Resented in England”, 43 - 1, *IIC: International Review of Industrial Property and Competition Law* (2012) p. 68-76; FERNANDO CARBAJO, “Sobre la Responsabilidad indirecta de los agregadores de información por contribución a la infracción de derechos de propiedad industrial e intelectual en Internet”, 32, *ADI*, 2011-2012, pp. 51-77.

“It is evident that clinging to the active role to eliminate the exemption from liability greatly harms Internet service providers who operate their business with essentially dynamic activities that did not exist when the ECD was approved, and which consist precisely in optimizing the presentation of works or services uploaded by users and/or promoting them. It would be said that these are now the majority.”<sup>23</sup>

I disagree with both viewpoints. In my opinion, from a rigorous perspective, providing optional features or tools to users, which enhance the performance of their sale offers or advertisements, and facilitate the encounter between sellers and buyers, thereby making the aggregation service more efficient and providing benefits to all the platform users, does not invariably entail an active conduct of the ISSP related to trademark infringement, nor does it always confer control or knowledge to the platform over the content it hosts at the request of its users. For instance, simply allowing sellers to have an online store within the platform should be considered as providing a neutral service and the provider should therefore be able to benefit from the exemption liability. Nevertheless, certain other actions, such as assisting sellers in the selection of another’s trademark as keyword or making available a tool that can cause a risk to automatically include it in the snippet to optimize the visibility of their listings, may indeed be construed active role of the ISSP<sup>24</sup>.

Returning to the requirement of *use*, in my opinion, the utilization by an e-commerce platform of a sign identical or similar to a trademark should not be categorically excluded, based on the assumption that these economic operators will always be mere intermediaries creating the technical conditions necessary for the use of a sign. More and more, ISSPs are developing tools, functionalities, or activities that go beyond mere intermediation. Additionally, this approach would prevent courts from examining conducts that could negatively impact the exclusive rights of trademark owners. However, these platforms should be held primarily liable only when it is evident that they engage in behavior defined as infringing in the relevant legal provisions, specifically articles 10(2) of Directive (EU) 2015/2436<sup>25</sup> and 9(2) of Regulation (EU) 2017/1001.

By way of example, I have held<sup>26</sup> that the ISSPs performs an action equivalent to the effective use of a sign identical or similar to the trademark in the following cases:

a) *Lush case*<sup>27</sup>. In summary, in this judgment, High Court of Justice established that, faced with a search executed on its website with the sign “Lush”, Amazon presented users with a SERP in which the trademark was mentioned three times and - given the functioning of the A9 algorithm - products identical or similar to those identified with the trademark distinguished with other trademarks were recommended to users. Two of the relevant facts are that none of the user-

<sup>23</sup> ESTHER ARROYO AMAYUELAS, “Liability of internet intermediaries safe and future-proof harbours?”, *Cuadernos de Derecho Transnacional*, vol. 12, N° 1, march 2020) p. 816.

<sup>24</sup> SARA CAROLINA RODRÍGUEZ RAMÍREZ, *La Protección Jurídica de la Marca Frente al Uso como Palabra Clave en Motores de Búsqueda y Plataformas de Comercio Electrónico* (Atelier, 2022) p. 244-268.

<sup>25</sup> Directive 2015/2436 to approximate the laws of the Member States relating to Trade Marks [2015] OJ L 336.

<sup>26</sup> SARA CAROLINA RODRÍGUEZ RAMÍREZ, Op. Cit., pp. 57-93.

<sup>27</sup> *Cosmetic Warriors Limited and Lush Limited v. Amazon* [2014] EWHC 181 (Ch), Claim HC 12C00385.

sellers marketed products identified with the trademark in the virtual marketplace and Amazon did not inform that the trademark's products were not sold on its platform<sup>28</sup>.

b) Broad match option. To refer to other ISSPs, when Google users select the broad match option, the system has a high degree of interference in determining which keywords will cause their ad to appear in the SERP and can even choose third-party brands as keywords<sup>29</sup>. In other words, the system *selects* another's trademark as a keyword for promoting its user-seller offer; it is not merely inducing, promoting or facilitating the selection by the user.

However, in the presentation of the advertisements and design of the website by Amazon, as well as the provision of complementary services to enhance the performance of the advertisements or sales offers and the shipment of goods to user-buyers—cases brought before the courts of Luxembourg and Belgium to the CJEU—there is no *effective use of a sign* identical or similar to the trademark by the platform operator, understood as a real use of it.

Nevertheless, as mentioned, in the judgment in joined cases C-148/21 and C-184/21, the CJEU employs a broad notion of “use in the context of its own commercial communication” linked to the average consumer's perception of an association between the sign at issue and the service provided by the operator of the e-commerce platform. Therefore, even if the use of the sign is not effective, based on the aforementioned interpretation, *it is understood that the ISSP uses it when users do not have enough clarity about who intends to market the goods* and the mere intermediary status of the electronic marketplace operator<sup>30</sup>. This interpretation of the CJUE broads the spectrum of protection of trademark law.

In line with the above, in addition to introducing the provision of logistic services as an important criterion for examining the use requirement, the CJEU confirms that in the analysis of online trademark infringements, the presentation of advertisements and the design of the ISSP website are relevant factors to take into account. This has already been established in the study of the adverse effect on the function of indicating origin in other preliminary rulings of the CJEU and some judgments rendered by U.S. courts<sup>31</sup>.

In this manner, the CJEU appears to align with a broader trend, not exclusive to trademark law, of impose transparency requirements to providers of online services. Perhaps the Court's position aims to push ISSP to implement measures to be clear in the information they display and about the services they provided to its users.

In the same vein, recital twenty-four and article 6 (3) of Regulation 2022/2065, addressing consumer law, stipulates that the exemption from liability for hosting service providers shall not apply under the following circumstances:

<sup>28</sup> I clarify that the judgment does not analyze whether third-party sellers selected the term “Lush” as a keyword, what it is possible in this marketplace.

<sup>29</sup> A contrary conclusion was reached by the Bundesgerichtshofs in: *MOST-Pralinen*; *OLG Braunschweig* [2012] I ZR 217/10.

<sup>30</sup> Unlike the exception in the eBay case, in the judgement that is the purpose of this comment, the CJEU does not point out that the platform uses the sign to promote its own service but refers to the possibility that users believe that Amazon is the one marketing its users' products; a position motivated by the differences in the online marketplaces.

<sup>31</sup> *Network Automation Inc. v. Advanced Systems Concepts Inc.*, 174 F.3d 1036, 1054 (9th Cir. 1999)

“(…) [when] those online platforms present the relevant information relating to the transactions at issue in such a way as to lead consumers to believe that that information was provided by those online platforms themselves or by traders acting under their authority or control, and that those online platforms thus have knowledge of or control over the information, even if that may in reality not be the case”.

This legal provision does not apply to trademark law, and it is related with the exclusion of the safe harbor, not with the use in its own commercial communication requirement. However, as Pedro de Miguel Asensio correctly affirms:

“It could be argued that the questionable aspect of that rule limiting its reference to consumer protection law and not referring to other areas, such as trademark law, loses much of its relevance in that sector, to the extent that considering the new judgment, direct liability can be attributed to the hosting service provider as the operator who also makes use of the trademark”<sup>32</sup> (author's translation).

About the judgment under analysis, Antón Juárez<sup>33</sup> asserts that the marketplace's practice of uniformly publishing offers and advertisements related to goods it sells in its own name and on its own behalf, alongside those relating to goods offered by third-party sellers, displaying its own logo as a renowned distributor on all these snippets, and including labels such as “best sellers” or “most popular,” leads consumers to establish a link between the sign and the services provided by that operator, thereby signifying its use in its own commercial communication. According to her, the uniform presentation of commercial information is a key factor in Amazon's success. She adds that offering users additional services consisting inter alia in the storing and shipping of those goods, also constitutes a trademark use.

I can understand that the absence of clarity in the website's design and the presentation of commercial information may lead consumers to perceive that the products are sold by the platform operator rather than by a third-party user of the aggregation service. I also concur that the platform should be liable in these circumstances. However, I am not sure if trademark law is the way to go, and we have to take into account that related transparency obligations are imposed in Article 6 of Directive 2000/31/EC and Article 26 of Regulation (EU) 2022/2065.

That said, if the contentious requirement of “use in the context of its own communication”, as proposed by the CJEU, is employed, I believe that courts should conclude that the average consumer will not assume that all the advertisements displayed by Amazon on its virtual marketplace and on third-party websites are offers for products marketed by the operator of the platform in its own name and on its own account, as highlighted by the Advocate General in his Opinion<sup>34</sup>. On the contrary, this type of consumer understands how these platforms operate and knows that products from third parties are also available for sale on Amazon. Moreover, as Szpunar stated in paragraph 85 of his opinion, Amazon advertisements clearly

<sup>32</sup> PEDRO ALBERTO DE MIGUEL ASENSIO, “Mercados en línea e infracción de marcas: extensión de la responsabilidad de las plataformas”, *La Ley Unión Europea*, N° 111, feb. 2023, p. 7.

<sup>33</sup> ISABEL ANTÓN JUÁREZ, “Louboutin vs. Amazon. One more litigation about the liability of digital platforms in the use of a trademark? Commentary on the ECJ ruling of 22 December of 2022, cases C-148/21 and C-184/21”, *Cuadernos de Derecho Transnacional*, vol. 15, N° 2, oct. 2023.

<sup>34</sup> Joined Cases C-148/21 - C-184/21 *Louboutin v. Amazon*, paras. 84-88 / 93.

indicate who is marketing the goods, according to article 6(b) of Directive 2000/31. However, the operator could enhance transparency by removing the Amazon logo from advertisements on its website, for example.

Concerning logistic services, I do not perceive how the provision of additional services such as storage and shipping to users could result in consumers believing that the operator of a marketplace is using a trademark in its own commercial communication. This kind of confusion is not caused by the provision of these logistic services, but rather by other factors.

The judgment under analysis, in my view, significantly impacts Amazon's core business model. Firstly, Amazon is the quintessential e-commerce platform where not only products from third-party sellers are marketed, but also goods from the virtual marketplace operator itself, although it is not the only such platform. Secondly, in addition to facilitating connections between online buyers and sellers, Amazon adds value for its users by offering additional functionalities on its website and, *most importantly*, by providing logistical services like storage, packaging, and shipping of merchandise. I consider that in the regulation of these matters, the benefits that these platforms provide to users should be considered.

At this point in the analysis, it's worth asking whether the interpretation rendered in the preliminary rulings of the joined cases C- 148/21 and C-184/21, regarding the optimization services for advertisements, will extend to other e-commerce platforms that do not market products from their user-sellers alongside their own products. For now, the interpretation seems limited to platforms with this specific characteristic, as can be inferred from the language used by the Court. In relation to virtual marketplaces like eBay, the interpretation in case C-324/09<sup>35</sup> established that offering additional services to improve the performance of advertisements can be considered active conduct by the ISSP. This prevents them from relying on the safe harbor protections of Article 14 of Directive 2000/31/EC, as amended by Regulation (EU) 2022/2065/UE and permits for the examination of their secondary liability. I see no sufficient justification for making this distinction between the two ISSP.

What is self-evident is that there is no consensus on the delimitation of the requirement of use in its own commercial communication and the active role of the ISSPs.

Finally, it is obvious that the shift toward demanding greater liability from ISSPs, in cases where it is unclear whether the protection requirements set by trademark law are met, arises from the inconvenience caused by the fact that these services increase the visibility of infringing sales offers. This not only maximizes sales, thus increasing the ISSPs' revenue, but also adversely affects the trademark rights of third parties and makes it difficult the identification of infringers. It also has to do with the large service provider's capacity to efficiently detect illegal content hosted on its platform.

The appropriate course of action would be that if the conduct of the ISSP does not align with the characteristics of use outlined in Articles 10(2) of Directive (EU) 2015/2436 and 9(2) of

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<sup>35</sup> Case C-324/09 *L'Oréal S.A. v. eBay*, para. 116

Regulation 2017/1001, the behavior should be examined in accordance with Article 14 of Directive 2000/31/EC. If the safe harbor does not apply, its secondary liability under national law should be determined. In cases where the ISSP is not liable, the trademark rights holder may resort to the injunctions specified in Article 11 of Directive 2004/48/EC<sup>36</sup> and Articles 9 and 10 of Regulation (EU) 2022/2065.

Despite the above, I believe that ISSPs are not entirely disconnected from the problem and should participate in detecting illegal information. Currently, the most economically efficient solution is the one established by Regulation (EU) 2022/2065. In this regulation, trademark holders, trusted flaggers, and ISSPs work together to identify infringing content. ISSPs are encouraged to take voluntary measures. However, the question arises as to whether the large-scale sale of counterfeit products poses a systemic risk to the functioning of virtual marketplaces, and because of this they are obligated to implement automatic or manual systems for identifying, removing, or disabling offers of these products. It seems to me that the answer to this question is affirmative.

Ohly presents the following argument that clearly illustrates the issue at hand:

“But while the legal discussion is still caught in classical tort law categories, reality has already moved on. Recent developments show that binary distinctions between “use” and “non-use,” between “knowledge” and “no knowledge” or between “takedown” and “no takedown” may not adequately reflect the complexity of the digital environment. On the one hand, platforms, particularly large platforms with a strong market position, can be expected to take reasonable precautions (...).”<sup>37</sup>

And the author adds:

“(...) platform regulation is more complex than the equations “no knowledge = immunity from liability” and “knowledge = liability.” A modern regulatory environment will consist of procedural requirements, transparency duties, minimum and maximum precautionary standards and room for private ordering, monitored by regulatory supervision. Doctrinally, a duty of care model seems more appropriate to accommodate these obligations (...).”<sup>38</sup>

From my point of view, complying with certain due diligence obligations imposed on ISSPs by Regulation (EU) 2022/2065 may indirectly lead to a reduction in cases where trademark rights are infringed. This includes fulfilling responsibilities related to the design of the website and services, as well as ensuring transparency in the presentation of advertisements to users.

<sup>36</sup> Directive 2004/48/EC on the enforcement of intellectual property rights [2004] OJ L 195.

<sup>37</sup> ANSGAR OHLY, “The Liability of Intermediaries for Trade Mark Infringement”, *Social Science Research Network (SSRN)*, p. 31, available in: [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4020424](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4020424)

<sup>38</sup> *Idem*, p. 32.

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