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## CJEU clarifies jurisdiction in online infringement cases: the consumers' country is the place of infringement

European Union - [NJORD](#)

- The CJEU has clarified the jurisdiction of EU trademark courts where the target audience is in one member state but the physical steps taken to carry out the infringement occur in another member state
- The CJEU held that the courts in a particular member state have jurisdiction provided that the infringing act was directed to consumers or traders located in that state
- This is a very welcome clarification for owners of EU trademarks

In [AMS Neve Ltd v Heritage Audio SL](#) (Case C-172/18), the Court of Justice of the European Union (CJEU) has held that the EU trademark court of a particular member state has jurisdiction in infringement proceedings under Article 97(5) of Regulation 207/2009 if consumers and traders of that member state are specifically targeted by online advertising and offers for sale of goods in that territory, even though the defendant is not established in that member state.

### Background

Plaintiffs AMS Neve, BW Trustees and Mark Crabtree are the owners of the EU trademark 1073 for “sound studio recording, mixing and processing equipment” in Class 9. The defendant, Heritage Audio and Mr Rodríguez Arribas, sold infringing products on their website in Spain. In 2015 the plaintiffs brought suit before the Intellectual Property and Enterprise Court (IPEC), an EU trademark court in the United Kingdom, claiming that the defendants, via the Internet, offered for sale to UK consumers imitations of AMS Neve products bearing, or referring to, signs identical or similar to the plaintiffs' EU trademark. The IPEC held that it did not have jurisdiction, since the Spanish defendants were neither established in, nor had put the products on the market within, the United Kingdom.

The plaintiffs appealed to the civil division of the Court of Appeal in the United Kingdom, which decided to refer to the CJEU the following question:

*In circumstances where an undertaking is established and domiciled in member state A and has taken steps in that territory to advertise and offer for sale goods under a sign identical to an EU trademark on a website targeted at traders and consumers in member state B:... does an EU trademark court in member state B have jurisdiction to hear a claim for infringement of the EU trademark in respect of the advertisement and offer for sale of the goods in that territory?*

### CJEU decision

The CJEU declared that the infringing act, consisting of advertising and offers for sale under a sign identical to the mark at issue, must be held to have been committed in the territory “where they can be classified as advertising or as offers for sale”. Firstly, the CJEU reasoned that following the wording of Article 97(5), with the implication that the act is committed where the infringer brought about the electronic display, could

make it very difficult for rights holder to identify where jurisdiction is held. Secondly, there is an interest in preventing deliberate forum shopping and evasion of European rules by committing the act of bringing about the electronic display from outside the European Union. Thirdly, should a generous interpretation not be applied, Article 97(5) would "be deprived of any scope constituting an alternative to that of the rule on jurisdiction laid down in Article 97(1)."

Further, the CJEU confirmed that jurisdiction is held by the court in the country where the infringing act has been committed, provided that the act is directed to consumers or traders located in that state. The meaning of 'directed to' is not explained further in the court's considerations; however, following the opinion of the advocate general, 'directed to' could be interpreted as meaning that it should be apparent, straight away, from the content of the website, that a specific group is aimed at. When assessing whether the act is directed to a specific audience, one may take into account whether:

- a certain audience is expressly targeted;
- the website has a country-specific top-level domain; and
- prices are in a specific national currency.

The CJEU thus answered the referred question by stating that a rights holder whose rights have been infringed, by advertising and offers for sale displayed electronically in relation to products that are identical or similar to the registered trademark:

*may bring an infringement action against that third party before a European Union trademark court of the member state within which the consumers or traders to whom that advertising and those offers for sale are directed are located.*

The CJEU explained that it is not relevant whether the advertising and offers for sale resulted in actual purchases of the defendant's products by the targeted audience.

#### **Comment**

This is a very welcome clarification, which is clearly a boon to trademark owners. It means that courts in the country where the infringement is effective can also have jurisdiction. However, one must note that a local court seized of an action under Article 97(5) of the regulation can adjudicate only infringements carried out in that country, while a court seized of an action under Article 97(1) (domicile of the defendant) can adjudicate infringements carried out throughout the European Union.

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