

Where to Issue Proceedings in Relation to Online Trademark Infringements

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Attorney Articles

The online use and abuse of trademarks often raises questions of territoriality - which national rights can be asserted against online use and which court will have jurisdiction to hear the claim. The Court of Justice of the European Communities (the "ECJ") addressed the question insofar as it concerns the jurisdiction point.

In November last year, we reported on the decision of the ECJ in the *eDate Advertising* case, in which the Court considered the question of jurisdiction in cases relating to online publications that allegedly infringe personality or privacy rights. In that context, the ECJ held that the claim can be brought in the defendant's home jurisdiction (where it has its main place of business) or alternatively in any jurisdiction where the publication was or could have been viewed, but in the latter case, only insofar as damage occurred in that jurisdiction.

This April, the ECJ turned to examine the question of jurisdiction in relation to infringements of trademarks online. In the case at hand, *Wintersteiger AG v Products 4U*, the claimant manufacturer of winter sport equipment alleged an infringement of its Austrian trademarks relating to the subscription by the defendant (which was selling winter sport equipment) to a Google Adwords service for words containing the claimant's trademarks. The Google Adwords service triggers the display of subscribers' information (on the Google sponsored links search results) in response to an internet user typing search terms for which subscription was purchased. The Adwords service in the *Wintersteiger* case related to Google's German website - google.de, but the claim was brought in Austria alleging an infringement of an Austrian trademark.

The question of jurisdiction (just as in the *eDate Advertising GmbH* case) turned on the interpretation of Article 5(3) of the Brussels Regulation (an EU legislation on the jurisdiction of the courts within the EU member states). Article 5(3) provides that in matters of tort, delict or quasi delict, persons (including legal entities) domiciled in an EU member state may be sued in the courts of another member state *in the place where the harmful event occurred or may occur*. The rule of Article 5(3) is a derogation from the general principle under the Brussels Regulation that proceedings against a defendant domiciled in a member state should be brought in the member state where the defendant is domiciled.

The fact that the Google Adwords service in this case related to the Google German website, was not considered by the ECJ to be significant for the purpose of applying Article 5(3). The Court held that jurisdiction can be based on two alternative basis: First, where the claimant asserts the infringement of an Austrian trademark, the Austrian court has jurisdiction under Article 5(3). Secondly, in the context of the Google Adwords service, one should not look at the actions of Google as a referencing service (and so the use of the service to trigger

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sponsored links in response to searches performed by users on google.de should not be the focus) but rather one must look at the actions of the defendant who subscribed to the Adwords service, thus causing the harm to the claimant. These actions of the defendant are deemed to take place where it has its main place of business and therefore the courts of that member state will have jurisdiction over the claim (even if the claim alleges the infringement of a trademark registered in another member state).

The ruling of the ECJ is based firmly on policy reasoning. The Court guided itself by the objectives of foreseeability and sound administration of justice. It observed that the courts of the member state where the trademark is registered are best placed to determine the question of infringement and to decide whether online use on a particular website amounts to an infringement of the national right. At the same time, the courts in the member state where the defendant has its main place of business will have better access to the evidence. The fact that the alleged infringement relates to a trademark registered in another member state does not exclude the court's international jurisdiction (as already held in *eData Advertising*) and the possibility of bringing proceedings in the defendant's home jurisdiction enhances the efficiency of justice.

It should be pointed out in this context that Article 22(4) of the Brussels Regulation confers exclusive jurisdiction on the courts of a member state where a patent, trademark or design is registered, in relation to claims concerning the registration or validity of the right. However, the exclusive jurisdiction does not extend to infringement claims.

Accordingly, the decision in the *Wintersteiger* case confirms that a claim for trademark infringement relating to online use of the mark should not fail for lack of jurisdiction if it is brought in the country where the mark is registered, even if the online use relates to a website operating under a foreign country-specific URL. At the same time, the claim can also be brought in the defendant's home jurisdiction, regardless of the fact that it alleges the infringement of a trademark registered in another member state. It is left for the national court to determine whether such use of the mark indeed infringed the national right. That would be a question of applying trademark law to the specific facts of the case rather than a question of international jurisdiction.

It should be noted, however, that the decision of the ECJ does not exclude the possibility of filing a claim for trademark infringement in the jurisdiction where the online use is deemed to take place (for example, in Germany, if the website runs on a German top level domain, or on the basis that it targets the German market). Where the alleged infringement concerns the subscription to a Google Adwords service, the Court held that the place where the harmful act occurred was the main place of business of the defendant (not where Google delivered the service). However, in cases where the defendant itself uses trademarks online (for instance, by using an infringing domain name or by using the claimant's trademarks on its website) the place where the harmful event occurs, for the purpose of Article 5(3), is likely to include at least the country of the top level domain (if a country-specific TLD is used) as well as the markets targeted by the website in question. The courts of that country should have jurisdiction under Article 5(3), even where the claim alleges the infringement of a trademark registered elsewhere.

Members of the Dorsey & Whitney LLP group issuing this communication will be pleased to provide further information regarding the matters discussed therein.