

# Intermediary Liability for Trade Mark Infringement

14th May 2024



## When is the “middleman” on the hook? The Big 5

- *Who* is using the sign?
- Is use “*in relation to*” goods or services protected by ®?
- Does hosting defence under Art.14(1) E-Commerce Directive apply?
- Is it liable under national rules on accessory liability (e.g. joint tortfeasorship)?
- Injunctions against non-fault intermediaries (e.g. Art.11 Enforcement Directive)



Louboutin v Amazon (C-148/21 & C-184/21)



- Does user of site establish a link between services of OMO and sign on the goods? Are 3<sup>rd</sup> party offerings “*an integral part of commercial communications of [OMO]*”?
- This will be particularly the case where user has impression that OMO is marketing 3<sup>rd</sup> party goods in issue in its own name and on its own account
- Relevant factors are:-
  - Is there a uniform method of presenting both OMO and 3<sup>rd</sup> party goods?
  - Does OMO display advertisements for its own goods and 3<sup>rd</sup> party goods?
  - Does OMO use its own logo on webpages?
  - Does OMO offer “added value services” such as storing and shipping?
  - Does OMO use words such as “bestseller” without distinction between OMO goods and 3<sup>rd</sup> party goods?

# Montres Breguet SA (Swatch) v Samsung [2024] E.T.M.R. 13



- Samsung had a Galaxy App Store
- It advertised 3<sup>rd</sup> party apps which allowed owners of Samsung Galaxy smartwatches to download watch faces with Swatch brands onto their smartwatches
- Samsung did some content checking (including for illegality) prior to listing them on Galaxy App Store
- Swatch sued Samsung for trade mark infringement (including joint tortfeasorship).
- Samsung denied liability on grounds
  - It was not using the sign
  - Its use was not in relation to smartwatches
  - It was entitled to “hosting” defence under Art.14.1

# Swatch 2 Samsung 0



Samsung had used signs in its own commercial communications



Whilst wearer of smartwatch would know that app watchface did not denote origin of smartwatch, others would see app watchface and believe that it did so denote (post-sales confusion is relevant)



Samsung's role was not merely technical, automatic and passive. It had knowledge and control over the content on its Samsung app store. Art.14 safe harbour provision did not apply

# Liability for damages under Art.14(1) E Commerce Directive: Two part test

- “*..and as regards claim for damages, [OMO] is not aware of facts or circumstances from which the illegal activity or information is apparent*”
- Given those facts and circumstances, would the illegally activity have been “readily identifiable by a diligent economic operator” (per Lewison LJ)?
- **But not total agreement on this between Arnold LJ and Lewison LJ**

# Rock and a Hard Place: Illegality Checking?



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- Illegality checking may remove Art.14(1) defence ([103] per Arnold LJ)
- But OMO may be deemed to have constructive knowledge of illegality so as to remove defence under Art.14(1)(a) ([104] per Arnold LM)



TAKES

AWAY

## Does OMO's actions go beyond merely creating the technical conditions for 3<sup>rd</sup> parties to advertise and sell their goods on OMO?

|  |         |
|--|---------|
| Does OMO carry out content review including legal checks?                  | ✓       |
| Does OMO mix up its own goods and 3 <sup>rd</sup> party goods on webpages? | ✓       |
| Does OMO provide storage and order fulfilment services?                    | ✓       |
| Does OMO use its own logo on webpages?                                     | ✓       |
| Does OMO discourage 3 <sup>rd</sup> parties from infringing IPRs of others | NEUTRAL |