Reports of Cases

JUDGMENT OF THE COURT (Fifth Chamber)

27 April 2023*

(Reference for a preliminary ruling – EU trade mark – Regulation (EU) 2017/1001 – Article 125(5) – International jurisdiction – Infringement action – Jurisdiction of the courts of the Member State in which the act of infringement has been committed or threatened – Advertising displayed by a search engine using a national top-level domain name – Advertising not specifying the geographical area of supply – Factors to be taken into account)

In Case C-104/22,

REQUEST for a preliminary ruling under Article 267 TFEU from the markkinaoikeus (Market Court, Finland), made by decision of 14 February 2022, received at the Court on 15 February 2022, in the proceedings

Lännen MCE Oy

v

Berky GmbH,

Senwatec GmbH & Co. KG.,

THE COURT (Fifth Chamber),

composed of E. Regan, President of the Chamber, D. Gratsias, M. Ilešič (Rapporteur), I. Jarukaitis and Z. Csehi, Judges,

Advocate General: M. Campos Sánchez-Bordona,

Registrar: A. Calot Escobar,

having regard to the written procedure,

after considering the observations submitted on behalf of:

– Lännen MCE Oy, by E. Hodge and K. Tommila, asianajajat,

– Berky GmbH and Senwatec GmbH & Co. KG, by P. Eskola, asianajaja,

* Language of the case: Finnish.

– the European Commission, by P. Němečková, S. Noë, J. Ringborg and J. Samnadda, acting as Agents,

having decided, after hearing the Advocate General, to proceed to judgment without an Opinion,

gives the following

Judgment

1 This request for a preliminary ruling concerns the interpretation of Article 125(5) of Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ 2017 L 154, p. 1).

2 The request has been made in proceedings between, of the one part, Lännen MCE Oy ('Lännen') and, of the other part, the companies Berky GmbH and Senwatec GmbH & Co. KG. which are part of the same group of undertakings, concerning the alleged infringement of the EU trade mark WATERMASTER of which Lännen is the proprietor.

Legal context

Regulation 2017/1001

3 Article 122 of Regulation 2017/1001, entitled 'Application of Union rules on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters', provides in paragraph 2 thereof:

'In the case of proceedings in respect of the actions and claims referred to in Article 124:

(a) Articles 4 and 6, points 1, 2, 3 and 5 of Article 7 and Article 35 of Regulation (EU) No 1215/2012 [of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (OJ 2012 L 351, p. 1)] shall not apply;

…'

4 Article 123 of Regulation 2017/1001, entitled 'EU trade mark courts', provides in paragraph 1 thereof:

'The Member States shall designate in their territories as limited a number as possible of national courts and tribunals of first and second instance, which shall perform the functions assigned to them by this Regulation.'

5 Article 124 of that regulation, entitled 'Jurisdiction over infringement and validity', provides:

'The EU trade mark courts shall have exclusive jurisdiction:

(a) for all infringement actions and – if they are permitted under national law – actions in respect of threatened infringement relating to EU trade marks;

(b) for actions for declaration of non-infringement, if they are permitted under national law;

(c) for all actions brought as a result of acts referred to in Article 11(2);

(d) for counterclaims for revocation or for a declaration of invalidity of the EU trade mark pursuant to Article 128.'

6 Article 125 of Regulation 2017/1001, entitled 'Counterclaims', states:

'1. Subject to the provisions of this Regulation as well as to any provisions of Regulation (EU) No 1215/2012 applicable by virtue of Article 122, proceedings in respect of the actions and claims referred to in Article 124 shall be brought in the courts of the Member State in which the defendant is domiciled or, if he is not domiciled in any of the Member States, in which he has an establishment.

…

5. Proceedings in respect of the actions and claims referred to in Article 124, with the exception of actions for a declaration of non-infringement of an EU trade mark, may also be brought in the courts of the Member State in which the act of infringement has been committed or threatened, or in which an act referred to in Article 11(2) has been committed.'

7 Article 126 of Regulation 2017/1001, entitled 'Extent of jurisdiction', provides:

'1. An EU trade mark court whose jurisdiction is based on Article 125(1) to (4) shall have jurisdiction in respect of:

(a) acts of infringement committed or threatened within the territory of any of the Member States;

(b) acts referred to in Article 11(2) committed within the territory of any of the Member States.

2. An EU trade mark court whose jurisdiction is based on Article 125(5) shall have jurisdiction only in respect of acts committed or threatened within the territory of the Member State in which that court is situated.'

Regulation No 1215/2012

8 Article 17(1) of Regulation No 1215/2012 provides:

'In matters relating to a contract concluded by a person, the consumer, for a purpose which can be regarded as being outside his trade or profession, jurisdiction shall be determined by this Section, without prejudice to Article 6 and point 5 of Article 7, if:

…

(c) in all other cases, the contract has been concluded with a person who pursues commercial or professional activities in the Member State of the consumer's domicile or, by any means, directs such activities to that Member State or to several States including that Member State, and the contract falls within the scope of such activities.'

9 Article 66(1) of that regulation states:

'This Regulation shall apply only to legal proceedings instituted, to authentic instruments formally drawn up or registered and to court settlements approved or concluded on or after 10 January 2015.'

The dispute in the main proceedings and the questions referred for a preliminary ruling

10 Lännen, a company established in Finland, manufactures, inter alia, amphibious dredgers which it markets under the EU trade mark WATERMASTER, registered on 12 July 2004 under number 003185758.

11 On 28 January 2020, that company brought an infringement action before the markkinaoikeus (Market Court, Finland) against Berky and Senwatec, two companies established in Germany and belonging to the same group of undertakings.

12 Lännen complains that Senwatec committed an act of infringement in Finland, by using paid referencing, in an internet search engine operating under the national top-level domain for that Member State; accordingly, if the term 'Watermaster' was searched for, an advertisement for Senwatec's products was displayed on that search engine's website. Thus, in August 2016, when the term 'Watermaster' was searched for in Finland on the website www.google.fi the first result displayed was a Google Adwords advertisement for Senwatec's products, separated from the other search results by a line and containing the word 'Ad'.

13 The national court notes that neither the advertising link obtained by that search nor the associated text contained any elements specifically referring to Finland or the geographical area where the products were to be supplied. However, the referring court states that Senwatec's website to which that advertising link led contained, inter alia, a text in English indicating that Senwatec's products are used worldwide and a world map on which the countries in which Senwatec claimed to be active were highlighted in darker colours. Finland did not form part of those countries.

14 Lännen complains that Berky infringed its trade mark by using, in the period from 2005 to 2019, the natural referencing of images, freely accessible on the photo-sharing website Flickr.com, of Berky's machines, by means of a meta tag containing the keyword 'Watermaster', which was intended to enable internet search engines to identify those images better. Thus, a search in Finland on www.google.fi using the term 'Watermaster' produced a link to a page showing images of Berky machines.

15 The referring court points out that the link displayed as a search result was not an advertising link, but an 'organic' search result. The captions for the images on the Flickr.com service included the names of the machines in English and, in addition, their model numbers. Berky's logo also appeared in connection with the images. Each image was accompanied by several meta tags consisting in keywords in English and other languages, in particular the term 'Watermaster'.

16 According to Lännen, Berky and Senwatec carried out marketing activities on the internet that were directed at the territory of Finland and were visible to consumers or traders in that Member State. It submits that Senwatec's and Berky's products are sold throughout the world. In Lännen's view, the advertising at issue, which is in English, is addressed to an international public, and is aimed at every country in which it is visible.

17 In their defence, Berky and Senwatec challenge the jurisdiction of the referring court, on the ground that the alleged acts of infringements were not committed in Finland.

18 They maintain that their marketing activities were not targeted at Finland, a Member State where they do not offer their products for sale and on whose market they are not present. Neither the search result on www.google.fi nor the use of a meta tag using the keyword 'Watermaster' would establish that their activities targeted Finland. Thus, in order to establish the jurisdiction of the referring court, the decisive factor is not whether the allegedly illegal content is visible online in Finland, but rather whether that content has a relevant connecting factor with that Member State.

19 The referring court states that the parties disagree as to whether the map depicted on Senwatec's website shows that the area of supply of Senwatec's products is limited to a geographical area from which Finland appears to be excluded. According to Senwatec, the map is evidence that Finland is not part of the market area for the company's products whereas, according to Lännen, the market for Senwatec's products is global and extends beyond the areas covered by that map.

20 The referring court considers, in the context of ascertaining the jurisdiction of a court seised on the basis of the place where the act of infringement was committed, that it is appropriate, in order to determine the territories of the Member States in which the consumers or traders, to whom advertising posted on a website is directed, are situated, to take account, in particular, of the geographical areas where the products concerned are to be supplied.

21 That court nevertheless considers that other factors might prove relevant for the purposes of such a verification, as is apparent from the Opinion of Advocate General Szpunar in *AMS Neve and Others* (C-172/18, EU:C:2019:276), without it being clear what those other factors might be, since the Court has not ruled on that point.

22 The referring court is uncertain, in particular, whether, in order to determine whether it has jurisdiction under Article 125(5) of Regulation 2017/1001, account may be taken of the Member State under whose national top-level domain the search engine website providing access to the advertisements constituting the alleged acts of infringement is operated.

23 In those circumstances the markkinaoikeus (Market Court) decided to stay the proceedings and to refer the following questions to the Court of Justice for a preliminary ruling:

'Company A is established in Member State X, where it has its registered office, and has used on a website a sign identical to an [EU] trade mark belonging to Company B, in advertising or as a keyword.

(1) In the situation described above, may it be concluded that the advertising is directed at consumers or traders in Member State Y, where Company B has its registered office, and does an [EU] trade mark court in Member State Y have jurisdiction to hear an action for infringement of an [EU] trade mark under Article 125(5) of [Regulation 2017/1001] where, in the advertising published electronically or on an advertiser's website connected to that

advertising via a link, the geographical area where the goods are to be supplied is not specified, at least not expressly, or no individual Member State is expressly excluded from that area? May the nature of the goods to which the advertising relates and the fact that the market for Company A's products is allegedly global and thus covers the entire territory of the European Union, including Member State Y, be taken into account in that respect?

(2) May it be concluded that the above advertising is directed at consumers or traders in Member State Y if it appears on a search engine website operated under the national top-level domain of Member State Y?

(3) If Question 1 or 2 is answered in the affirmative, what other factors, if any, should be taken into account in determining whether the advertisement is directed at consumers or traders in Member State Y?'

Consideration of the questions referred

24 By its three questions, which it is appropriate to consider together, the referring court asks, in essence, whether Article 125(5) of Regulation 2017/1001 must be interpreted as meaning that the proprietor of an EU trade mark, who considers that he or she has been prejudiced by the use, without his or her consent, by a third party, of a sign identical with that mark in online advertisements and offers for sale in respect of goods identical with, or similar to, those for which that mark is registered, may bring an infringement action against that third party before an EU trade mark court of the Member State in which consumers and traders targeted by those advertisements or offers for sale are located, notwithstanding the fact that the third party does not expressly and unambiguously list that Member State among the territories to which a supply of the goods in question might be made.

25 It must be borne in mind that notwithstanding the principle provided for in Article 66(1) of Regulation No 1215/2012, according to which that regulation applies as from 10 January 2015 to legal proceedings relating to an EU trade mark, Article 122(2) of Regulation 2017/1001 precludes, with respect in particular to actions for infringement of such a mark, the application of certain provisions of Regulation No 1215/2012, such as the application of the rules contained in Articles 4 and 6, Article 7(1), (2), (3) and (5) and Article 35 thereof. In the light of that exclusion, the jurisdiction of the EU trade mark courts referred to in Article 123(1) of Regulation 2017/1001 to hear actions claiming an infringement of an EU trade mark follows from rules directly provided for by Regulation No 2017/1001, which have the character of *lex specialis* in relation to the rules provided for by Regulation No 1215/2012 (see, by analogy, judgment of 5 September 2019, *AMS Neve and Others*, C-172/18, EU:C:2019:674, paragraph 34 and the case-law cited).

26 Consequently, an infringement action brought on 28 January 2020 falls, in so far as it relates to an EU trade mark, within the scope of the rules on jurisdiction laid down in Regulation 2017/1001.

27 Under Article 125(1) of that regulation, where the defendant is domiciled in a Member State, the applicant is to bring his or her action before the courts of that Member State.

28 That said, Article 125(5) of that regulation states that the applicant may 'also' bring his or her action in the courts of the Member State 'in which the act of infringement has been committed or threatened'.

29 Article 126(1) of Regulation 2017/1001 provides that where an action is brought before an EU trade mark court on the basis of Article 125(1) of that regulation, that court is to have jurisdiction in respect of acts of infringement committed or threatened within the territory of any of the Member States, while Article 126(2) of Regulation 2017/1001 provides that where an action is brought before such a court on the basis of Article 125(5) of that regulation, that court is to have jurisdiction only in respect of acts committed or threatened within the territory of the Member State in which it is situated.

30 It follows from that distinction that the applicant, according to whether he or she chooses to bring an infringement action before the EU trade mark court where the defendant is domiciled or before the EU trade mark court of the place where the act of infringement has been committed or threatened, determines the extent of the territorial jurisdiction of the court before which the action is brought. When the infringement action is based on Article 125(1) of Regulation 2017/1001, it potentially covers acts of infringement committed throughout the European Union, whereas, when the action is based on Article 125(5) of that regulation, the action is restricted to acts of infringement committed or threatened within a single Member State, namely the Member State where the court before which the action is brought is situated (see, by analogy, judgment of 5 September 2019, *AMS Neve and Others*, C-172/18, EU:C:2019:674, paragraph 40).

31 The right conferred on the applicant to choose one or other basis, arising from the use of the word 'also' in Article 125(5) of Regulation No 2017/1001, cannot be understood as meaning that the applicant may, with reference to the same acts of infringement, simultaneously bring actions based on paragraphs (1) and (5) of Article 125, but merely reflects the fact that the forum indicated in Article 125(5) is an alternative to the fora indicated in the other paragraphs of that article (see, by analogy, judgment of 5 September 2019, *AMS Neve and Others*, C-172/18, EU:C:2019:674, paragraph 41).

32 The EU legislature, in providing for such an alternative forum and restricting, in Article 126(2) of Regulation 2017/1001, the territorial jurisdiction attached to that forum, enables the proprietor of the EU trade mark to bring, if he or she wishes, targeted actions each of which relates to acts of infringement committed within a single Member State (see, by analogy, judgment of 5 September 2019, *AMS Neve and Others*, C-172/18, EU:C:2019:674, paragraph 42).

33 In the present case, subject to the verification to be carried out by the referring court, it is apparent from the documents before the Court that the acts of infringement alleged by the proprietor of the EU trade mark relate to the online display of content relating to the products of that proprietor's competitors, by means of paid and natural referencing on the basis of a sign identical to that trade mark, only to the extent that that display was directed at consumers or traders located in Finland.

34 Thus, in order to determine whether that online display was actually directed at consumers or traders located in Finland, the referring court asks, in particular, whether the nature of the products concerned, the scope of the market in question and the fact that that display occurred on the website of a search engine operating under the national top-level domain of that Member State are relevant factors for ascertaining whether it has international jurisdiction under Article 125(5) of Regulation 2017/1001 and, if so, whether other factors must be taken into account to that end.

35 In that regard, although the acts of infringement alleged against each of the defendant companies in the main proceedings, which form part of the same group of undertakings, are different, a single set of judicial proceedings were instituted before the referring court.

36 It is, therefore, necessary to determine whether the acts of infringement alleged against those two companies make it possible to establish, in both of the two cases, a sufficient connecting factor with the Member State in which the court seised of the infringement action is situated, pursuant to Article 125(5) of Regulation 2017/1001.

37 Furthermore, it should be borne in mind that the determination of the jurisdiction of the court seised of an infringement action does not amount to an examination of the substance of that action (see, by analogy, judgment of 16 June 2016, *Universal Music International Holding*, C-12/15, EU:C:2016:449, paragraph 44 and the case-law cited).

38 It would be excessive to require the court seised of an infringement action to carry out, at the stage of determining whether it has international jurisdiction under Article 125(5) of Regulation 2017/1001, a detailed examination of those complex matters of fact and of law.

39 Consequently, evidence which gives rise to a reasonable presumption that acts of infringement may have been committed or threatened on the territory of a Member State is sufficient for the EU trade mark court of that Member State to have jurisdiction under Article 125(5) of Regulation 2017/1001.

40 In that context, it must be observed that, according to the case-law of the Court, the criterion for jurisdiction expressed by the words 'Member State in which the act of infringement has been committed or threatened', in Article 125(5) of that regulation, relates to active conduct on the part of the person causing the infringement (see, by analogy, judgment of 5 September 2019, *AMS Neve and Others*, C-172/18, EU:C:2019:674, paragraph 44 and the case-law cited).

41 In particular, as regards the duty of an EU trade mark court to be satisfied – pursuant to the review of its jurisdiction to give a ruling on whether there is an infringement in the territory of the Member State where that court is situated, pursuant to Article 125(5) of Regulation 2017/1001 – that the acts allegedly committed by the defendant were committed in that territory, the Court has held that where those acts consist in advertising and offers for sale displayed electronically with respect to products bearing a sign identical with, or similar to, an EU trade mark, without the consent of the proprietor of that mark, it is necessary to hold that those acts were committed in the territory where the consumers or traders to whom that advertising and those offers for sale are directed are located (see, by analogy, judgment of 5 September 2019, *AMS Neve and Others*, C-172/18, EU:C:2019:674, paragraphs 46 and 47 and the case-law cited).

42 Thus, where the display of online content is, even if only potentially, directed at consumers or traders located in the territory of a Member State, bearing in mind that details of the geographic areas of supply of the products in question are evidence which is particularly important for the purposes of the aforementioned assessment (see, to that effect, judgment of 12 July 2011, *L'Oréal and Others*, C-324/09, EU:C:2011:474, paragraph 65), the proprietor of an EU trade mark is entitled to bring an action in that Member State, on the basis of Article 125(5) of Regulation No 2017/1001, for a declaration that his or her trade mark has been infringed in that Member State. Indeed, the EU trade mark courts of the Member State where the consumers or traders, to whom advertising and offers for sale are directed are resident, are particularly suited to assessing whether the alleged infringement exists (see, by analogy, judgment of 5 September 2019, *AMS Neve and Others*, C-172/18, EU:C:2019:674, paragraph 57).

43 In the present case, it must be found, subject to the verification to be carried out by the referring court, that the geographical areas of delivery of the products concerned are not mentioned in the advertisement referred to in paragraph 12 above. Furthermore, the map on Senwatec's website, which, according to Lännen, proves that Senwatec's market is global, cannot, in itself, establish a connecting factor with Finland, since the context of which that map forms part does not support the conclusion that Senwatec directs its activity towards the Finnish market.

44 In the absence of precise information as to the geographical areas of delivery of the products in question, the connecting factor with the Member State concerned, in this case Finland, must be established in the light of other factors in order for the applicant to be able to bring an infringement action before a court in that Member State on the basis of Article 125(5) of Regulation 2017/1001.

45 Admittedly, as recalled in paragraph 25 above, the provisions of Regulation 2017/1001 relating to actions for infringement of EU trade marks have the character of *lex specialis* in relation to the rules provided for by Regulation No 1215/2012. This does not, however, deprive Regulation No 1215/2012 of relevance in terms of clarifying and interpreting the meaning of concepts which are similar to those for which it provides and which, since they are covered by Regulation 2017/1001, are necessary for interpreting the latter regulation.

46 In that connection, as regards the interpretation of Article 17(1)(c) of Regulation No 1215/2012, the Court has held that various indicia are capable of supporting the conclusion that the trader's activities are directed to the Member State of the consumer's domicile, namely the international nature of the activity, use of a language or a currency other than the language or currency generally used in the Member State in which the trader is established, mention of telephone numbers with an international code, outlay of expenditure on an internet referencing service in order to facilitate access to the trader's site or that of its intermediary by consumers domiciled in other Member States, use of a top-level domain name other than that of the Member State in which the trader is established, and mention of an international clientele composed of customers domiciled in various Member States (see, by analogy, judgment of 7 December 2010, *Pammer and Hotel Alpenhof*, C-585/08 and C-144/09, EU:C:2010:740, paragraph 93).

47 That list, although not exhaustive, contains matters which may be relevant for the purposes of applying Article 125(5) of Regulation 2017/1001. In the present case, the provision of advertisements and offers for sale on a website with a top-level domain other than that of the Member State in which the trader is established is of relevance.

48 It must, however, be made clear that the mere fact that a website is accessible from the territory covered by the trade mark is not a sufficient basis for concluding that the offers for sale displayed there are targeted at consumers in that territory (judgment of 12 July 2011, *L'Oréal and Others*, C-324/09, EU:C:2011:474, paragraph 64 and the case-law cited).

49 It follows from the foregoing considerations that active conduct of the kind in question includes the fact that an undertaking pays the operator of a search engine website with a national top-level domain of a Member State other than that in which it is established, in order to display, for the public of that Member State, a link to that undertaking's website, thereby enabling a specifically targeted public to access its product offering.

50 Accordingly, such paid referencing constitutes a sufficient connecting factor, in terms of Article 125(5) of Regulation 2017/1001, with the Member State of which the public is thereby targeted.

51 As regards the use of the sign registered as a trade mark as a meta tag on an online photo-sharing service under a generic top-level domain, this should be considered as differing from paid referencing for the purposes of assessing the condition relating to the existence of active conduct directed at the territory of the Member State where the act of infringement was committed or threatened. In the case of such natural referencing, that condition does not seem to be capable of being fulfilled in so far as, first, a website with a generic top-level domain is not intended for the public of any specific Member State and, secondly, the meta tag is intended only to enable search engines better to identify the images contained on that website and, in so doing, to increase the accessibility thereof.

52 In those circumstances, the referring court cannot declare that it has jurisdiction, on the basis of Article 125(5) of Regulation 2017/1001, in the absence of other matters capable of proving that such natural referencing is intended for a public established in Finland.

53 As regards the nature of the products in question and the extent of the geographical market, it is for the court hearing the infringement action to assess on a case-by-case basis the extent to which those matters are relevant in order to conclude that referencing accessible on the territory covered by the trade mark is targeted at consumers in that territory (see, to that effect, judgment of 12 July 2011, *L'Oréal and Others*, C-324/09, EU:C:2011:474, paragraph 61).

54 In the light of all the foregoing, the answer to the questions referred is that Article 125(5) of Regulation 2017/1001 must be interpreted as meaning that the proprietor of an EU trade mark who considers that he or she has been prejudiced by the use, without his or her consent, by a third party, of a sign identical with that mark in online advertisements and offers for sale in respect of goods identical with, or similar to, those for which that mark is registered, may bring an infringement action against that third party before an EU trade mark court of the Member State in which consumers and traders targeted by those advertisements or offers for sale are located, notwithstanding the fact that the third party does not expressly and unambiguously list that Member State among the territories to which a supply of the goods in question might be made, if that third party has made use of that sign by means of paid referencing on a search engine website which uses a national top-level domain name of that Member State. By contrast, that is not the case simply because the third party concerned has used the natural referencing of images of its goods on an online photo-sharing service under a generic top-level domain, having recourse to meta tags using the trade mark concerned as a keyword.

Costs

55 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the referring court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (Fifth Chamber) hereby rules:

Article 125(5) of Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark

must be interpreted as meaning that the proprietor of an EU trade mark who considers that he or she has been prejudiced by the use, without his or her consent, by a third party, of a sign identical with that mark in online advertisements and offers for sale in respect of goods identical with, or similar to, those for which that mark is registered, may bring an infringement action against that third party before an EU trade mark court of the Member State in which consumers and traders targeted by those advertisements or offers for sale are located, notwithstanding the fact that the third party does not expressly and unambiguously list that Member State among the territories to which a supply of the goods in question might be made, if that third party has made use of that sign by means of paid referencing on a search engine website which uses a national top-level domain name of that Member State. By contrast, that is not the case simply because the third party concerned has used the natural referencing of images of its goods on an online photo-sharing service under a generic top-level domain, having recourse to meta tags using the trade mark concerned as a keyword.

[Signatures]