Reports of Cases

JUDGMENT OF THE COURT (Second Chamber)

3 March 2016*

(Reference for a preliminary ruling — Trade marks — Directive 2008/95/EC — Article 5(1) — Advertisements relating to a third party accessible on the internet — Unauthorised use of the mark — Advertisements published online without the knowledge and without the consent of that third party or maintained online despite the opposition of that third party — Action of the trade mark proprietor against that third party)

In Case C-179/15,

REQUEST for a preliminary ruling under Article 267 TFEU from the Fővárosi Törvényszék (Budapest Municipal Court, Hungary), made by decision of 3 April 2015, received at the Court on 21 April 2015, in the proceedings

Daimler AG

v

Együd Garage Gépjárműjavító és Értékesítő Kft.,

THE COURT (Second Chamber),

composed of M. Ilešič (Rapporteur), President of the Chamber, C. Toader, A. Rosas, A. Prechal, and E. Jarašiūnas, Judges,

Advocate General: M. Wathelet,

Registrar: A. Calot Escobar,

having regard to the written procedure,

after considering the observations submitted on behalf of:

— the Hungarian Government, by M.Z. Fehér, G. Szima and G. Koós, acting as Agents,

— the Polish Government, by B. Majczyna, acting as Agent,

— the European Commission, by L. Havas and J. Samnadda, acting as Agents,

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

gives the following

* Language of the case: Hungarian.

Judgment

1 This request for a preliminary ruling concerns the interpretation of Article 5(1) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1).

2 The request has been made in proceedings between Daimler AG ('Daimler') and Együd Garage Gépjárműjavító és Értékesítő Kft. ('Együd Garage') concerning the appearance on the internet of advertisements naming the latter as an 'authorised Mercedes-Benz dealer'.

Legal context

3 Directive 89/104 was repealed by Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (OJ 2008 L 299, p. 25, and Corrigendum OJ 2009 L 11, p. 86), which came into force on 28 November 2008.

4 Article 5 of Directive 2008/95, entitled 'Rights conferred by a trade mark', the wording of which reproduces that of Article 5 of Directive 89/104, provides:

'1. The registered trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

(a) any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered;

(b) any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the trade mark.

2. Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.

3. The following, inter alia, may be prohibited under paragraphs 1 and 2:

(a) affixing the sign to the goods or to the packaging thereof;

(b) offering the goods, or putting them on the market or stocking them for these purposes under that sign, or offering or supplying services thereunder;

(c) importing or exporting the goods under that sign;

(d) using the sign on business papers and in advertising.

...'

5 Directive 2008/95 is repealed with effect from 15 January 2019 by Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks (OJ 2008 L 336, p. 1), which entered into force on 12 January 2016.

The main proceedings and the question referred for a preliminary ruling

6 Daimler, a motor vehicle manufacturer, is the proprietor of the international figurative trade mark Mercedes-Benz, reproduced below, which is also protected in Hungary and covers, inter alia, motor vehicle parts.



7 Együd Garage is a company governed by Hungarian law engaged in the retail sale of motor vehicles and parts and their repair and servicing. That company specialises in the sale of Daimler goods and in the supply of related services.

8 In 2007, Mercedes Benz Hungaria Kft. (‘Mercedes Benz Hungaria’), Daimler’s subsidiary company which is not a party to the main proceedings, and Együd Garage concluded a contract for the supply of after-sales services, which expired on 31 March 2012.

9 Under that contract Együd Garage was entitled to use the abovementioned trade mark and to describe itself as ‘felhatalmazott Mercedes Benz szerviz’ (‘authorised Mercedes-Benz dealer’) in its own advertisements.

10 While the after-sales services contract was in force, Együd Garage ordered, from Magyar Telefonkönyvkiadó Társaság (‘MTT’), which provides online advertising services at the web address www.telefonkonyv.hu, the publication, for the period covering the years 2011 to 2012, of an advertisement which names that company as an authorised Mercedes-Benz dealer.

11 Following the termination of that contract, Együd Garage tried to end all use of the trade mark at issue, on the basis of which the public might assume that there was still a contractual link between it and Daimler.

12 In particular, Együd Garage asked MTT to amend the advertisement so that it no longer made reference to it as an authorised Mercedes-Benz dealer.

13 Furthermore, Együd Garage wrote to the operators of several other websites requesting the removal of online advertisements which had been published without its consent, in particular without Együd Garage having ordered them, and which presented that company as an authorised Mercedes-Benz dealer.

14 Despite taking those steps, online advertisements containing such a reference continued to be distributed online. Moreover, when the key words ‘együd’ and ‘garage’ were inserted into the Google search engine, this resulted in a list of results displaying such advertisements in the first line of which, serving as a link, Együd Garage appeared as an ‘authorised Mercedes-Benz dealer’.

15 In those circumstances Daimler brought an action before the referring court seeking, first, a declaration that Együd Garage infringed the trade mark Mercedes-Benz by the abovementioned advertisements and, secondly, an order that Együd Garage remove the advertisements at issue, refrain from further infringements and publish a corrigendum in the national and regional press.

16 Együd Garage's defence was that, apart from the advertisement that appeared on the website www.telefonkonyv.hu, it did not place any other advertisements on the internet and that those at issue appeared or still appear contrary to its intention, without it having any influence on their content, publication or removal.

17 In that context, Együd Garage relied on its own private expert to show that it had been the victim of a common commercial practice which consists, essentially, in certain providers of internet advertising services summarising advertisements published on other advertising sites, without the knowledge or consent of the advertiser, in order to create their own database of information available free of charge or for consideration.

18 In those circumstances, the Fővárosi Törvényszék (Budapest Municipal Court, Hungary) decided to stay the proceedings and to refer the following question to the Court for a preliminary ruling:

'Must Article 5(1)(b) of [Directive 89/104] be interpreted as meaning that the trade mark proprietor is entitled to prevent a third party named in an advertisement on the internet from making use, for services of that third party identical to the goods or services for which the trade mark is registered, of a sign likely to be confused with the trade mark, in such a way that the public might be given the mistaken impression that there is an official commercial relationship between the undertaking of that third party and the trade mark proprietor, even though the advertisement was not placed on the internet by the person featuring in it or on his behalf, or it is possible to access that advertisement on the internet despite the fact that the person named in it took all reasonable steps to have it removed, but did not succeed in doing so?'

Consideration of the question referred

19 At the outset, it should be noted that the dispute in the main proceedings arises from the fact that, even after the termination of the after-sales service contract between Mercedes Benz Hungaria and Együd Garage which, inter alia, allowed the latter to use the Mercedes-Benz trade mark and to describe itself as an 'authorised Mercedes-Benz dealer' in its own advertising, advertisements containing that reference in connection with the name and address of Együd Garage continued to be disseminated via the internet. As that agreement expired on 31 March 2012, that is, after the repeal of Directive 89/104 by Directive 2008/95, it should be noted that that dispute is governed by the latter directive and therefore the question referred for a preliminary ruling must be understood as relating to the interpretation thereof.

20 Furthermore, while the question refers to Article 5(1)(b) of Directive 89/104, the wording of which was repeated in Directive 2008/95, and which covers the situation in which the signs at issue and/or the goods or services for which those signs are used are only similar, it seems at first sight, as the European Commission argues, that the case before the referring court falls instead within the situation referred to in Article 5(1)(a) of those directives, namely the so-called 'double identity' situation, in which a third party uses a sign identical with the trade mark in relation to goods or services which are identical to those for which the trade mark is registered.

21 First, it appears that the advertisements containing the phrase 'authorised Mercedes-Benz dealer' use a sign which is, essentially, identical to the Mercedes-Benz figurative mark.

22 Secondly, the formulation of the question referred for a preliminary ruling seems to suggest that the referring court starts from the premiss that the goods and services offered by Együd Garage are identical to those for which that mark is registered. In that regard, it follows from the case-law of the Court that the use in advertisements of a car trade mark to inform the public that a third party carries out the repair and maintenance of authentic cars bearing that mark should be assessed, in principle, having regard to Article 5(1)(a), even where that mark has not been registered for that service (see, to that effect, judgment in *BMW*, C-63/97, EU:C:1999:82, paragraphs 33, 34 and 37 to 39).

23 However, in so far as it appears from the request for a preliminary ruling that the referring court seeks clarification of the term 'use', referred to in Article 5(1) of Directives 89/104 and 2008/95 and which relates without distinction to the situations referred to in Article 5(1)(a) and (b), it is not necessary, in order to give a useful response, to definitively determine which of those two situations apply in the present case.

24 Accordingly, the Court finds that, by its question, the referring court asks, essentially, whether Article 5(1)(a) and (b) of Directive 2008/95 must be interpreted as meaning that a third party, who is named in an advertisement published on a website, which contains a sign identical or similar to a trade mark in such a way as to give the impression that there is a commercial relationship between him and the proprietor of the trade mark, makes a use of that sign which may be prevented by that proprietor under that provision, even where that advertisement has not been placed by that third party or on his behalf or where that third party took all reasonable steps to have it removed, but did not succeed in doing so.

25 The Hungarian and Polish Governments and the Commission take the view that the question should be answered in the negative.

26 By application of Article 5(1)(a) of Directive 2008/95, the proprietor of a trade mark is entitled to prevent a third party from using, without his consent, a sign identical with that trade mark when that use is in the course of trade, is in relation to goods or services which are identical with those for which that trade mark is registered, and affects, or is liable to affect, the functions of the trade mark, including not only the essential function of the trade mark, which is to guarantee to consumers the origin of the goods or service ('the origin function'), but also its other functions such as, in particular, that of guaranteeing the quality of those goods or services or those of communication, investment or advertising (see, to that effect, judgments in *L'Oréal and Others*, C-487/07, EU:C:2009:378, paragraph 58; *Google France and Google*, C-236/08 to C-238/08, EU:C:2010:159, paragraphs 49, 77 and 79, and *Interflora and Interflora British Unit*, C-323/09, EU:C:2011:604, paragraph 38).

27 However, where the signs in question and/or the goods or services for which those signs are used are only similar, the proprietor of the trade mark is entitled, under Article 5(1)(b) of Directive 2008/95, to prevent such use of the sign only if, due to a likelihood of confusion on the part of the public, that use affects, or is liable to affect, the origin function (see, in particular, judgment in *Frisdranken Industrie Winters*, C-119/10, EU:C:2011:837, paragraph 25, and the case-law cited).

28 It should be pointed out that the Court has already held that the use of a trade mark by a third party, without the proprietor's authorisation, in order to inform the public that that third party carries out repairs and maintenance of goods covered by that trade mark or that he has specialised, or is a specialist, in such goods constitutes, in certain circumstances, a use of that mark for the purposes of Article 5(1)(a) of Directive 2008/95, which may be prohibited by the trade mark proprietor unless Article 6 of that directive, concerning the limitation of the effects of the trade mark, or Article 7 of that directive, concerning exhaustion of the rights conferred by it, are applicable (see judgment in *BMW*, C-63/97, EU:C:1999:82, paragraphs 42 and 45).

29 As regards the advertisements at issue in the main proceedings that name Együd Garage as an 'authorised Mercedes-Benz dealer', it must be held that, by ordering from MTT an advertisement with that content in order to be published online on the website www.telefonkonyv.hu for the period covering the years 2011 to 2012, Együd Garage used the mark within the meaning of Article 5(1) of Directive 2008/95.

30 By ordering such an advertisement in the context of its commercial activity, the advertiser made 'use' of the mark 'in the course of trade' and 'in relation to goods or services' which it offers to its customers, which use for advertising purposes, moreover, is expressly provided for in Article 5(3)(d) of Directive 2008/95. Such use, where it is made without the consent of the proprietor of the mark, is liable to affect the origin function of the mark, since the advertisement suggests the existence of an economic link between that advertiser and the proprietor (see, to that effect, judgment in *Interflora and Interflora British Unit*, C-323/09, EU:C:2011:604, paragraph 45, and case-law cited).

31 However, to the extent the after-sales service contract between Mercedes Benz Hungaria and Együd Garage expressly permitted such use, it must be held that this was done with the consent of the proprietor of the mark and that, in accordance with Article 5(1) of Directive 2008/95, that proprietor was not therefore entitled to prohibit, while that contract was in force, the publication of the advertisement at issue on the website www.telefonkonyv.hu.

32 It is, nevertheless, not disputed that, even after the termination of that contract, advertisements naming Együd Garage as an 'authorised Mercedes-Benz dealer' continued to appear both on the website www.telefonkonyv.hu and on other company referencing websites and that those advertisements are the subject of the main proceedings.

33 With regard, first, to the publication of that advertisement on the website www.telefonkonyv.hu after the termination of that contract, the referring court established that Együd Garage requested MTT to amend the advertisement that was originally ordered, so that it no longer named it as an 'authorised Mercedes-Benz dealer', but that, despite that request, the advertisement with that reference continued to appear for some time on that website.

34 While the publication online of an advertisement on a referencing website, referring to another person's trade mark, is attributable to the advertiser who ordered that advertisement and upon whose instruction the operator of that site, as service provider, acted (see, by analogy, judgments in *Google France and Google*, C-236/08 to C-238/08, EU:C:2010:159, paragraphs 51 and 52, and in *Frisdranken Industrie Winters*, C-119/10, EU:C:2011:837, paragraph 36), that advertiser cannot be held liable for the acts or omissions of such a provider who, intentionally or negligently, disregards the express instructions given by that advertiser who is seeking, specifically, to prevent that use of the mark. Accordingly, where that provider fails to comply with the advertiser's request to remove the advertisement at issue or the reference to the mark contained therein, the publication of that reference on the referencing website can no longer be regarded as a use of the mark by the advertiser.

35 As regards, secondly, the publication of the advertisement in question on other company referencing websites, the referring court states that this fact can be explained by the practice of some operators of such sites, which consists of taking up advertisements published on other advertising sites, without the knowledge or consent of the advertiser, to promote the use of their own site, in order to suggest to potential paying users that they are dealing with a popular website with a solid basis.

36 In that regard, it must be pointed out that an advertiser cannot be held liable for the independent actions of other economic operators, such as those of referencing website operators with whom the advertiser has no direct or indirect dealings and who do not act by order and on behalf of that advertiser, but on their own initiative and in their own name.

37 It follows from paragraphs 34 and 36 of the present judgment that, in both of the situations referred to therein, the proprietor of the mark is not entitled, under Article 5(1)(a) or (b) of Directive 2008/95, to take action against the advertiser in order to prevent him from publishing online the advertisement containing the reference to its trade mark.

38 That conclusion is supported by the wording, scheme and purpose of Article 5 of Directive 2008/95.

39 With regard, first, to the wording of Article 5(1), it must be noted, by way of example that, according to its ordinary meaning, the expression 'zu benutzen', 'using', 'faire usage', 'usare', 'het gebruik', 'használ', used respectively in the German, English, French, Italian, Dutch and Hungarian versions of that provision, involves active behaviour and direct or indirect control of the act constituting the use. However, that is not the case if that act is carried out by an independent operator without the consent of the advertiser, or even against his express will.

40 Secondly, as regards the scheme of Article 5 of Directive 2008/95, it should be noted that Article 5(3), which lists in a non-exhaustive manner the types of use which the trade mark proprietor may prohibit (see judgment in *Google France et Google*, C-236/08 to C-238/08, EU:C:2010:159, paragraph 65 and the case-law cited), refers exclusively to active behaviour on the part of the third party, such as that of 'affixing' the sign on the goods and their packaging or 'using' it in business papers and advertising, 'offering' the goods, 'putting them on the market' or 'stocking' them for those purposes, 'importing' or 'exporting' them or 'offering' or 'supplying' services under that sign.

41 Finally, with regard to the purpose of Article 5(1) of Directive 2008/95, it is clear from that provision that it is intended to provide the proprietor with a legal instrument allowing him to prohibit, and to prevent, any use of his trade mark by a third party without his consent. However, only a third party who has direct or indirect control of the act constituting the use is effectively able to stop that use and therefore comply with that prohibition.

42 In those circumstances, it must be observed that an interpretation of Article 5(1) of Directive 2008/95, allowing, in a situation such as that at issue in the main proceedings, the proprietor of the mark to prohibit the advertiser from making the use complained of, on the sole ground that such use could possibly provide a financial benefit to the advertiser, would misconstrue the purpose of that provision and conflict with the principle that no one can be legally obliged to do the impossible (*impossibilium nulla obligatio est*).

43 That finding does not affect the possibility for the proprietor to claim from the advertiser, where appropriate, reimbursement of any such financial advantage on the basis of national law, nor that of taking action against the operators of the referencing websites at issue.

44 In view of the foregoing considerations, the answer to the question referred is that Article 5(1)(a) and (b) of Directive 2008/95 must be interpreted as meaning that a third party, who is named in an advertisement on a website, which contains a sign identical or similar to a trade mark in such a way as to give the impression that there is a commercial relationship between him and the proprietor of the trade mark, does not make use of that sign that may be prohibited by that proprietor under that provision, where that advertisement has not been placed by that third party or on his behalf or, if that advertisement has been placed by that third party or on his behalf with the consent of the proprietor, where that third party has expressly requested the operator of that website, from whom the third party ordered the advertisement, to remove the advertisement or the reference to the mark contained therein.

Costs

45 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national 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 (Second Chamber) hereby rules:

Article 5(1)(a) and (b) of Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks must be interpreted as meaning that a third party, who is named in an advertisement on a website, which contains a sign identical or similar to a trade mark in such a way as to give the impression that there is a commercial relationship between him and the proprietor of the trade mark, does not make use of that sign that may be prohibited by that proprietor under that provision, where that advertisement has not been placed by that third party or on his behalf or, if that advertisement has been placed by that third party or on his behalf with the consent of the proprietor, where that third party has expressly requested the operator of that website, from whom the third party ordered the advertisement, to remove the advertisement or the reference to the mark contained therein.

[Signatures]