CJEU considers international jurisdiction under Article 125(5) of Regulation 2017/1001

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- **The CJEU has clarified the factors relevant for establishing international jurisdiction over an infringement action under Article 125(5)**
- **Evidence giving 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 EUTM court of that state to have jurisdiction**
- **Where an undertaking pays the operator of a search engine with a top-level domain of a member state other than that in which it is established, it directs its activity to the public of that member state**

In **Case C-104/22**, the Court of Justice of the European Union (CJEU) has assessed the jurisdiction of the Finnish Market Court in a trademark infringement case relating to paid referencing and natural referencing of images on a photo-sharing service.

Background

An action for infringement of an EUTM was brought before the Finnish Market Court (*markkinaoikeus*) by Finnish company Lännen MCE Oy. Lännen claimed that two companies belonging to the same group of undertakings, Berky GmbH and Senwatec GmbH & Co KG, had infringed its WATERMASTER trademark.

According to Lännen, Senwatec infringed the WATERMASTER mark by using paid referencing (Google AdWords) on a search engine operated under the Finnish top-level domain '**www.google.fi**'. Berky allegedly infringed the same mark through the natural referencing of images on freely accessible photo-sharing website 'Flickr.com' by means of a metatag containing the keyword 'Watermaster', which was intended to enable internet search engines to identify those images better.

Neither of the defendants were domiciled in Finland and Article 125(1) of **Regulation 2017/1001** did not apply. Lännen nevertheless brought the action in Finland as it claimed that the infringement had taken place in that country. According to Article 125(5) of the regulation, an action may be brought in the courts of the member state in which the act of infringement has been committed or threatened. However, the defendants contested the jurisdiction of the Market Court, which in turn decided to stay the proceedings and refer questions to the CJEU for a preliminary ruling.

The referring court said it was unclear whether the referencing in question was directed at Finland. The national court noted that the marketing activities contained no elements specifically referring to Finland or the geographical area where the products were to be supplied. However, Senwatec's website, to which the advertising link led, contained 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 was not one of those countries.

In these circumstances, the CJEU had to make a separate assessment concerning both potentially infringing acts.

Decision

According to the CJEU, Regulation 2017/1001 has the character of *lex specialis* in relation to **Regulation 1215/2012** (see ***AMS Neve*** (Case C-172/18)). The CJEU referred to its previous case law maintaining that, in order for online activities to constitute an infringement in a member state, such activities must have sufficient connecting factors to that member state. Therefore, the mere fact that customers from a member state could access the content on the website could not constitute such connection with the member state: it was necessary that the content be directed at the customers or traders in that member state. Consequently, evidence giving rise to a "reasonable presumption" that acts of infringement may have been committed or threatened on the territory of a member state is sufficient.

According to Article 17(1)(c) of Regulation 1215/2012, various indicia are capable of supporting the conclusion that the trader's activities are directed at 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; and
- 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.

This is list is, however, non-exhaustive. Here, the map on Senwatec's website was not sufficient evidence.

Finally, the CJEU said that it is not required that the member state in question be expressly and unambiguously listed among the territories to which a supply of the goods in question might be made, if the 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 metatags using the trademark concerned as a keyword.

Comment

Following the ruling, it is likely that the Market Court will establish its jurisdiction and hear the action relating to the alleged infringement by Senwatec. It is plausible that the Market Court will declare that it does not have jurisdiction over the Berky case.

According to the ruling, it seems clear that, when an undertaking pays the operator of a search engine with a national top-level domain (through an AdWord purchase, for example), it creates jurisdiction in that member state. The circumstances in which metatag use under a national top-level domain would create sufficient connection to a member state are, however, still unclear.

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