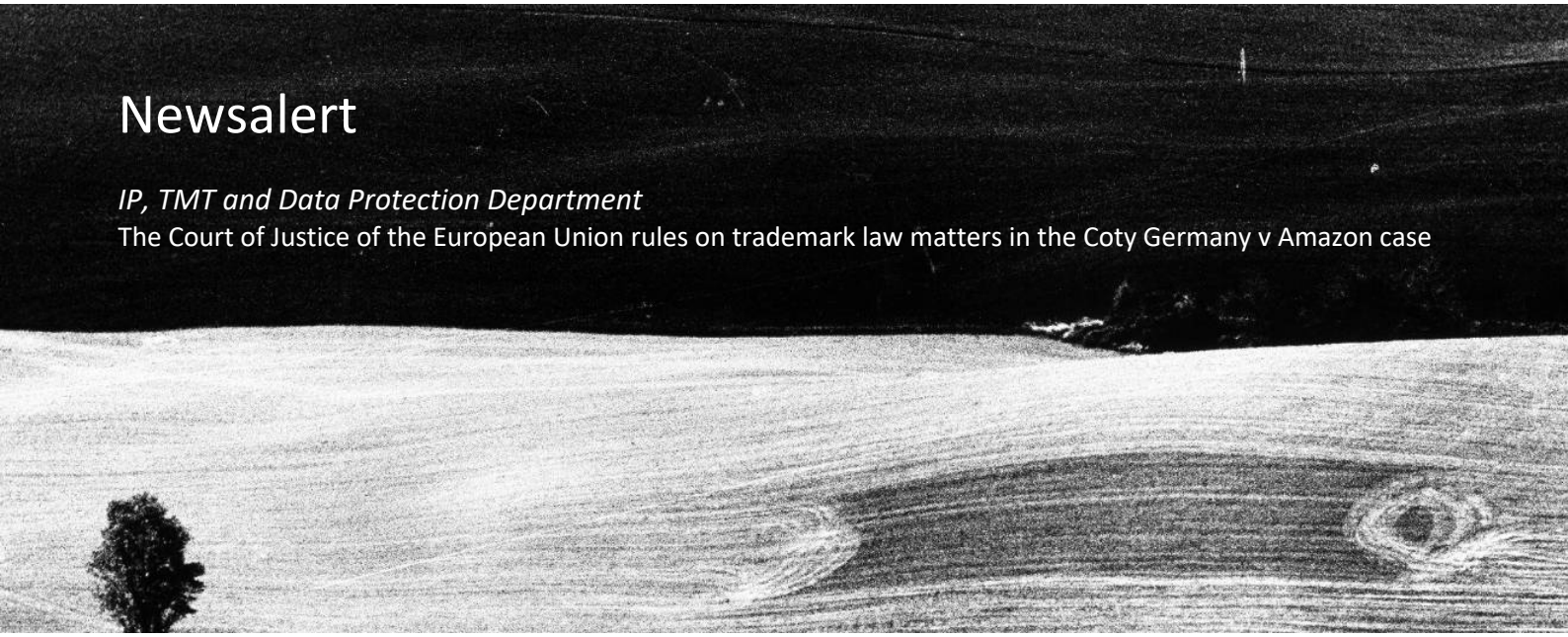

Newsalert

IP, TMT and Data Protection Department

The Court of Justice of the European Union rules on trademark law matters in the Coty Germany v Amazon case

On 2 April 2020, the Court of Justice of the European Union (**'CJEU'**) delivered a decision in the Coty Germany GmbH (**'Coty'**) v Amazon case (C-567/18). The decision stemmed from a referral of the German Federal Court of Justice (*Bundesgerichtshof*), which was called to rule on a trade mark lawsuit brought by the distributor Coty against certain entities of the e-commerce group Amazon.

Coty, licensee of a European Union trade mark registered for perfumes (hereinafter the "**mark at issue**"), alleged that Amazon had **infringed** its right to **prevent third party's use** of the aforesaid sign. Coty had indeed purchased certain bottles of the perfume bearing the mark at issue (in relation to which, according to Coty, the right over the trademark had not been exhausted) from a third-party seller on the Market Place of Amazon. Such seller availing itself of the 'Fulfilment by Amazon' scheme, under which **goods sold** by the seller are **stored and delivered** by Amazon.

Following a C&D letter from Coty, Amazon sent Coty the bottles of perfume bearing the mark at issue stored on behalf of third-party sellers. It so happened, however, that among these bottles there were some coming from the stocks of another seller, which Amazon was not able to identify.

Considering that Amazon's conduct infringed its trademark rights, Coty asked the German court to prohibit Amazon from stocking or shipping - or having stocked or shipped - to Germany perfumes bearing the mark at issue, which were being put on the market without Coty's consent within the European Union.

Given the above the *Bundesgerichtshof* referred to the CJEU **the following key question:**

> Does a person who, on behalf of a third party, stores goods which infringe trade mark rights, without having knowledge of that infringement, stock those goods for the purpose of offering them or putting them on the market, if it is not that person himself but rather the third party alone which intends to offer the goods or put them on the market?

With regard to such question, the CJEU first recalled that the applicable law to the EU trade mark confers on its holder the exclusive right to, *inter alia*, prevent any third party, without its consent, from using in the course of trade, in relation to goods or services, any sign where the sign is identical to the EU trade mark and is used in relation to goods and services which are identical to the goods or services for which the EU trade mark is registered. Amongst the **type of 'use' that may be prohibited by the trade mark holder**, Article 9(2) of Regulation No 207/2009, the substance of which is reproduced in Article 9(3) of Regulation 2017/1001, includes the **offering of goods, putting them on the market or stocking them for those purposes**.

This being clarified, in the case at hand the CJEU was called to determine whether the act of stocking under examination (in relation to which Amazon had limited itself to the storage of the products bearing the mark at issue, without offering them for sale or putting them on the market or having any intention to do so) falls within the concept of 'use' referred to above.

In this respect, the CJUE stated that, on the one hand, a person may be regarded as 'using' a sign identical to the trade mark when it imports or sends to a warehouse keeper goods bearing such sign, for the purposes of their being put on the market. On the other hand, the activity of the warehouse keeper, who provides a storage service for goods bearing another person's trade mark, does not necessarily fall within the definition of 'use' as provided under the applicable law. Indeed, the fact that a person, in return for payment, creates the technical conditions necessary for the use of a sign - such as storage with a view to sale by a third party of the goods bearing that sign - does not necessarily mean that that person (*i.e.* the provider of the storage service in question) uses the sign itself.

Consequently, according to the CJEU - **in order for the storage** by an economic operator **of products bearing signs identical, or similar to trade marks to be classified as 'using' those signs** - it is necessary that that **operator pursues itself the aim of offering the goods or putting them on the market**. Otherwise, continues the CJEU, **the mere act of storing carried out by said operator cannot be considered to constitute use of the trade mark**.

Therefore, the CJEU, having found that in the case at hand Amazon had limited itself to the storage of the products bearing the mark at issue, without offering them for sale or placing them on the market, determined that Amazon had not made a use of the mark at issue subject of prohibition by the trade mark holder. Such conclusion is, however, without prejudice to the possibility of considering that the economic operator itself uses the sign **(i)** in connection with bottles of perfume stocked not on behalf of third-party sellers but on its own behalf or **(ii)** which, if it was unable to identify the third-party seller, would be offered or put on the market by the economic operator itself.

In view of the foregoing considerations, the CJEU concluded that Article 9(2) of Regulation No 207/2009 and Article 9(3) of Regulation 2017/1001 shall be construed in the sense that the person who, on behalf of a third party, stores goods which infringe trade mark rights, without being aware of that infringement, must be regarded as not stocking those goods in order to offer them or put them on the market for the purposes of those provisions, if that person does not itself pursue those aims.

Here is the link to the CJEU website:
http://curia.europa.eu/juris/document/document.jsf?docid=224883&text=&dir=&doclang=EN&part=1&occ=first&mode=DOC&pageIndex=0&cid=1260420

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