Germany

“Perfume Stick” (Stiftparfüm)

Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on Certain Legal Aspects of Information Society Services, in Particular Electronic Commerce, in the Internal Market, Arts. 14(1), 15(1); Trade Mark Act, Sec. 14(2); Telemedia Act, Secs. 7(2), 10; Enforcement Directive 2004/48/EC, Art. 11

**Decision of the Federal Supreme Court (Bundesgerichtshof)
17 August 2011 – Case No. I ZR 57/09**

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- (a) If a right holder notifies the operator of an online marketplace of an infringement of his rights by a sales offer placed on that marketplace, the operator as tortfeasor has the obligation on penalty of injunctive claim to prevent such infringements in future [citations omitted].
- (b) This presupposes that the notification is concrete enough that its addressee can easily detect the infringement—that is, without an intensive legal and factual examination. The extent of the examination the operator can be expected to make in this respect depends upon the circumstances of the individual case, especially upon the gravity of the reported infringements, on the one hand, and upon the opportunities the operator has to detect it, on the other hand.
- (c) The complainant is only required to furnish proof of the infringement if this is justified by legitimate interests of the operator of the online marketplace. This can be the case if there is legitimate reason under the circumstances for the operator to doubt that a proprietary right exists, that the notifying party is authorised to assert this right or that the reported facts of an infringement are true, and therefore would have to conduct his own, thorough investigation in order to be sufficiently sure an infringement has taken place. If the operator of the online marketplace has such legitimate doubts, he is as a rule obliged to communicate them to the notifying party and to request appropriate evidence of the infringement and of the notifying party’s authority to prosecute it.

- (d) An obligation regarding an operator's conduct, which if violated, could constitute grounds for a risk of repetition only arises once the operator has learned of the infringement. Thus, the infringing conduct that is the object of a warning or other notice in which the operator of an online marketplace first learned of an infringement cannot be seen as infringing conduct that constitutes grounds for a risk of repetition in the sense of an injunctive claim. Rather, the assumption of risk of repetition requires that an infringement is performed after the obligation to prevent further such infringements has been established [citation omitted].

Facts:

1. The plaintiff produces and exclusively markets worldwide a line of international perfumes, among them products bearing the mark "Davidoff Echo" and "Davidoff Cool Water Deep". The plaintiff is the exclusive licensee of the marks registered among other things for perfume products, "Davidoff", "Echo Davidoff" and "Davidoff Cool Water Deep". It is authorised to defend these trade mark rights in its own name.
2. The defendant operates an internet platform on "<http://www.ebay.de>" on which private persons and traders can for a fee offer goods for sale or at auction. The defendant advertises the products offered on its internet platform. It provides a so-called "VeRi Program" for proprietors of rights to report right-infringing offers to the defendant. If the infringement is confirmed by affidavit, the defendant blocks the contested offer and gives the right holder the opportunity to request the trader's data through the VeRi Program.
3. On the defendant's internet platform, traders with the user names "Gold-Discount-Darmstadt" and "mein_duft" offered perfume by the name of "Cool Water Deep" using the designation "Echo by Davidoff" and under the heading "Davidoff Deep" for sale. The plaintiff objected in an attorney's letter of 20 April 2007 to a total of four sales offers of the user "Gold Discount Darmstadt". The letter read in part:

Dear Madams and Sirs,

In the name of [the plaintiff] we object to the offers listed below with falsified perfumes of the brand Davidoff "Echo". On offer are so-called "perfume sticks" containing 20 ml. In the name of our client, we point out that these offers are without exception fakes. Our client does not manufacture or sell the "perfume stick" offered here or any other similar stick under the trade mark Davidoff "Echo" The sale of the above perfume fakes infringes the trade mark rights of our client and gives rise to injunctive and disclosure claims pursuant to Sec. 14(2), No. 1, and Sec. 19 of the Trade Mark Act.

4. In another attorney's letter of 25 April 2007 with essentially the same wording the plaintiff further objected to the offer of a total of five items by the seller "mein_duft". Here again the products on offer were perfume sticks containing 20 ml, but this time under the designation "Davidoff Deep".

5. In both letters, the plaintiff requested the defendant among other things to remove the contested offers, to disclose the name and address of the seller and to give an undertaking to cease and desist.

The defendant responded to the complaints as follows:

Thank you for your fax of 20 April 2007.

We have closed the offers named therein insofar as we were able to detect an infringement. Your notice and the statements made in it will be considered in our further monitoring of the eBay marketplace.

6. The plaintiff claimed that the defendant bore a partial responsibility for the trade mark infringements committed on its platform, due to the fees it charges and its advertising for the platform and for individual offers made there.

7. The plaintiff, finally, requested that the defendant be ordered, under threat of measures of compliance by the court, to refrain from allowing sales offers to be published and/or disseminated on its <http://www.ebay.de> platform that refer to a perfume in 20 ml size bearing the words “Davidoff” and/or “Davidoff/Echo”, when references or features make it clear that the seller is offering these items in the course of trade.

8. The plaintiff further applied for disclosure of the names and addresses of the traders with the user names “Gold-Discount-Darmstadt” and “mein_duft”, which are in the defendant’s possession.

9. The defendant opposed the action, asserting that a tortfeasor liability was out of the question. The defendant claimed that there was no indication of a clearly discernible infringement of rights, and that the examinations it should be obliged to perform in the plaintiff’s view were unreasonable.

10. The district court ordered the defendant to cease and desist and dismissed the further action for disclosure. The court of appeal amended the decision of the district court, dismissing the action in its entirety.

11. With its appeal on the law admitted by this Court, the plaintiff is further pursuing its actions. The defendant requests dismissal of the appeal.

Findings:

12 – A. The court of appeal deemed the actions unfounded. ...

17 – B. The plaintiff’s appeal of this decision on points of law is unsuccessful. The court of appeal in the outcome rightly denied the injunctive claim and the disclosure claim asserted by the plaintiff.

18 – I. The plaintiff’s injunctive claim under the aspect of tortfeasor liability cannot be denied based on the reasons given by the court of appeal. However, there is no

risk of infringing conduct, so that the appeal judgment is correct for other reasons (Code of Civil Procedure, Sec. 561).

19 – 1. The appeal court's assumption that the defendant was not notified of a clearly discernible infringement, and thus does not bear the obligation of examination required for a case of tortfeasor liability, does not stand up to judicial review.

20 – a) In an infringement of absolute rights, however in any way deliberately and with adequate causality contributes to infringing the protected right—without himself being the infringer or accessory—can have an action brought against him as a tortfeasor. Contribution in this respect can be the support or exploitation of an act of a third party who is acting on his own authority, if the party facing the legal action had the legal possibility of preventing this act. Because tortfeasor liability may not be unduly extended to third parties who have not performed the unlawful act themselves, the liability of a tortfeasor requires, according to the case law of this Court, the violation of reasonable obligations to act, especially to examine facts. Whether and to what extent the party facing the claim as tortfeasor can be expected to carry out such examination depends upon the circumstances of the individual case, taking his function and duties into consideration, as well as with respect to the autonomy of the party who directly performed the unlawful act. Thus, in determining the degree to which third-party prevention of infringements is reasonable, this Court has held as significant whether the party facing the claim as tortfeasor has acted without intent of profit and also in the public interest, or whether he has pursued his own profitable intentions and, for example, like the operator of an internet trading platform, through the commission owed him, participates in the trade mark infringing sale of pirated goods. A further point that must also be considered is whether an infringement aided by a third party can, due to an unclear legal situation, be determined only after intensive legal or factual examination, or whether it is obvious or easy for the party facing the tortfeasor claim to determine.

21 According to these standards, the operator of an internet trading platform cannot generally be expected to examine every offer before its publication on the internet for possible violation of the law. If, however, he is informed of a clear breach of law, he must immediately not only block the offer, but also make sure to the extent possible that no further such trade mark infringements can occur.

22 These principles established by this Court are in accord with standards that the CJEU established in its judgment of 12 July 2011 (Case No. C-324/09—*L'Oréal/eBay*). The Court of Justice deems it possible for the operation of an online marketplace to constitute a service of the information society within the meaning of Art. 14(1) of Directive 2000/31/EC on electronic commerce if the provider limits himself to providing this service in a neutral manner by means of purely technical and automatic processing of the data entered by his customers (CJEU, decision of 12 July 2011, C-324/09, paras. 109 *et seq.*—*L'Oréal/eBay*). It follows from this that the operator of an online marketplace, pursuant to Art. 14(1) of Directive 2000/31/EC, which rule is implemented in German law by Sec. 10 of the Telemedia Act, is in general not responsible for information not his own that he saves electronically

for a user. Furthermore, it follows from Art. 15(1) of the same Directive—implemented by Sec. 7(2) of the Telemedia Act—that the operator is in general not obliged to monitor the information he transmits or saves or to search for evidence of unlawful activity (CJEU, decision of 12 July 2011, C-324/09, para. 139—*L'Oréal/eBay*). However, the prerequisite for this under Art. 14(1) of Directive 2000/31/EC, or Sec. 10 of the Telemedia Act, is that the operator has no knowledge of the unlawful act or information, and, in the case of claims for damage compensation, also has no knowledge of facts or circumstances that make the unlawful act or information obvious, or that he has immediately acted to remove that information or block access to it as soon as he had such knowledge (cf. CJEU, decision of 12 July 2011, C-324/09, para. 119—*L'Oréal/eBay*).

23 If on the other hand the provider gives up his neutral position as an agent to play an active part through which he could gain knowledge of or control over certain data, he is with respect to these data not included in the scope of application of Art. 14 of Directive 2000/31/EC (CJEU, decision of 12 July 2007, C-324/09, paras. 113, 116—*L'Oréal/eBay*) and thus cannot invoke the liability derogation found in Arts. 14(1) and 15(1) of that Directive, or in Sec. 7(2) of the Telemedia Act.

24 The mere fact that the operator of an online marketplace saves the sales offers on his server, sets the terms of his service, receives payment for this service and provides his customers with information of a general kind cannot lead to the exceptions laid out in Directive 2003/31/EC regarding liability not applying to him (CJEU, decision of 12 July 2011, C-324/09, para. 115—*L'Oréal/eBay*). If, however, the operator provides his customers with assistance, which can for instance consist of optimising the presentation of their relevant sales offers, or of advertising these offers—through Adword ads in referencing services such as Google, for instance—it must be assumed that he has not assumed a neutral position between the customer who is acting as a seller and the potential buyers, but has played an active part that was capable of giving him knowledge of or control over the data regarding these offers. With respect to these data, therefore, he again cannot invoke the exception regulated in Art. 14 of Directive 2003/31/EC in the area of liability (CJEU, decision of 12 July 2011, C-324/09, para. 116—*L'Oréal/eBay*).

25 The CJEU further held that Art. 11, third sentence, of Directive 2004/48/EC on the enforcement of intellectual property rights is to be interpreted to mean that it requires EU Member States to ensure that the national courts charged with protecting rights in intellectual property can order the operator of an online marketplace to take measures that not only contribute to ending the infringements caused by users of that marketplace, but also to preventing such infringements from occurring again (CJEU, decision of 12 July 2011, C-324/09, para. 144—*L'Oréal/eBay*).

26 Pursuant to the principles of the CJEU and this Court, the operator of an online marketplace is consequently responsible as soon as he learns of an infringement of rights by a sales offer placed on that marketplace. He also bears the responsibility, enforceable by injunctive claim, to prevent such infringements in future.

27 – b These are the same principles used by the court of appeal. However, the demands it made on the content of the notice with which the defendant was informed of the infringements taking place on its trading platform were too strict.

28 – aa The function of the notification of infringement, which can be made either before litigation—by a warning notice, for example—or in the form of bringing an action, consists in allowing the operator of an internet trading platform, who is not generally required to monitor preventively, to find, among the many sales offers his registered members have entered without his knowledge by means of the platform-provided software, those that infringe the rights of third parties. This requires that the notice be worded so concretely as to allow the addressee of the notice to detect the violation easily—meaning without a thorough legal or factual examination. The amount of effort to be expected of an operator of an internet trading platform in performing any such examination depends upon the circumstances of the individual case, especially upon the gravity of the reported infringements on the one hand and the operator’s opportunities to learn of them on the other hand.

29 The plaintiff’s warning notices of 20 and 25 April 2007 meet these requirements. The object of their complaint were infringements of the trade marks “Echo Davidoff” and “Davidoff Cool Water Deep” by the offer of perfumes bearing these marks on 20 ml containers. From a legal standpoint, the issue is not a trade mark law assessment of the risk of confusion, but a directly discernible use of a sign identical to the trade mark on goods that are identical to those with respect to which that trade mark is protected. As the plaintiff further notified the defendant that offers of this kind were without exception fakes, the defendant was able to conclude that perfumes with such markings in the specific size of 20 ml could never be original products. Thus, the letters contained all legal and factual circumstances necessary to allow the defendant to identify such offers as infringing, without intensive legal or factual assessments, based solely on the trade mark names, bottle size and, where applicable, product category, given in the item descriptions and thus possible for prospective buyers as well as the defendant itself to find via the search function of the platform.

30 – bb The court of appeal took the position that the notice giving these facts was not sufficient to trigger the examination obligation of the defendant. The plaintiff, rather, according to the court of appeal, should also have presented evidence that 20 ml perfume sticks are not manufactured or sold by the plaintiff, that the alleged proprietary rights do in fact exist and that the plaintiff is entitled to defend them with legal measures. With this, the appeal court applied too strictly the requirements of a notice of infringements that have occurred.

31 A distinction must be made between the notice required in order to trigger an obligation of examination and the proof of facts communicated in that notice. Proof is only required when legitimate interests of the defendant so justify. This can be the case when the defendant can have justified doubts based on the facts of the individual case as to the existence of a proprietary right, as to the notifying party’s right to assert this right or as to the truth of the factual details of an infringement

reported in the notice, and as a result of these doubts would have to conduct his own intensive research in order to determine an infringement with sufficient confidence. Nothing in the dispute at hand points to this situation, however. The mere fact that other perfume producers sell products in 20 ml bottles does not lead to the presumption that the plaintiff likewise markets such products among the relevant descriptions and thus might have made incorrect statements about its product line. Furthermore, the defendant did not claim to have had any doubts about the trade mark protection of the designations “Davidoff Cool Water Deep” and “Echo Davidoff”. Similarly, there was no reason to assume based on the contents of the warning notice that the plaintiff wrongly complained of an infringement of its rights or falsely claimed to be entitled to assert rights in the trade marks named above.

32 In the end, however, the question can remain open as to whether the defendant was justified in having doubts in the dispute at hand that the offers listed in the letters of 20 and 25 April 2007 infringed trade mark rights and that the plaintiff was entitled to bring an action against these infringements. This is because in the case of doubt, the defendant as notified party would have been obliged in good faith to notify the plaintiff of this doubt and to demand evidence appropriate to the circumstances of the purported clear infringements and for the plaintiff’s right to prosecute these infringements. Such is lacking here.

33 There is no need to rule on whether a notice sufficient to trigger the obligation to examine facts is always lacking when the operator of an internet trading platform due to the circumstances of the individual case has legitimately asked the notifying party to provide evidence of the circumstances of an infringement that in his eyes are questionable, and the notifying party does not or only insufficiently complies with this request. In the dispute at hand, the defendant not only did not request proof from the plaintiff. It also did not even express doubts about the plaintiff’s statements, but on the contrary replied that it had “closed the offers” and would consider the notice and statements made therein in its future monitoring of the online marketplace. The defendant thus expressly accepted the plaintiff’s notice as sufficient notification of an infringement. Under the principle of good faith it must abide by this acceptance, at least with respect to the question of whether the plaintiff’s notice is sufficient notification of a clear infringement to give rise to obligations of future conduct in general in the sense of the principles of tortfeasor liability.

34 – cc) For the same reason the question can remain open of whether, in groups of cases in which legitimate doubts exist as to the correctness of an alleged breach of law, the defendant is allowed to inform a right holder of the possibility of reporting an infringement via the VeRi Program and securing the facts of that infringement by means of an affidavit. In the dispute at hand, the defendant again did not express such doubts towards the plaintiff, but accepted the latter’s warning notice expressly as a sufficiently clear notice of an infringement.

35 – dd) The rejoinder to the appeal on the law wrongly considers that an obligation to examine facts only arises if the clear infringement is discernible from the offer itself. No further circumstances or information could be decisive, it states, that emanate from the right holder.

36 Such a requirement cannot be reconciled with the function of the notice to make the defendant aware of infringing offers and thus provide him with the knowledge that he need not initially obtain himself that will allow him to prevent further similar infringements. In this context, it is irrelevant whether the infringement is entirely clear from the contested offer itself, or—as is regularly the case—the knowledge of other facts not discernible from the offer must be added, such as the knowledge that a certain designation is in fact protected as a trade mark, who its proprietor is or who is authorised by the proprietor to prosecute it, or which product features or other facts indicate that the product is a fake. As concerns the obviousness of a notified infringement, the formality of which source of knowledge provides the factual and legal circumstances characterising the infringement is not at issue, but simply whether these circumstances become known to the defendant and are easy for him to recognise and to evaluate. This must be distinguished from the question—which, as the dispute at hand has demonstrated, is not significant—whether and to what extent the defendant has a legitimate interest in the right holder being required, upon concrete request, to provide evidence for certain facts from his side.

37 – 2 The appeal decision proves to be correct for other reasons, however (Code of Civil Procedure, Sec. 561). In the dispute at hand, there is no risk of infringing conduct, which is necessary for an injunctive claim to be successful.

38 – a) The danger of repeat infringement required for an injunctive claim presupposes a previous act of infringement. There is no such act in the present dispute.

39 As demonstrated, the operator of an internet trading platform is generally not obliged to examine every offer for a potential infringement before it is published online in an automatic process. If, however, he is notified of a clear infringement, he must not only block the concrete offer, but also take measures to prevent any further infringement of the kind if at all possible. It follows from this that an obligation on the operator concerning conduct, the violation of which can give rise to a risk of a repeat offence can only arise after he has learned of the infringement. Therefore, an act of infringement that is the object of a warning or other notice through which the operator of an online marketplace first learns of an infringement of a right cannot be seen as an infringing act giving rise to a risk of repetition in the sense of an injunctive claim. Rather, the assumption of a risk of repetition requires that an infringement be committed after grounds have arisen for an obligation to prevent further such infringements.

40 In the present dispute, the district court did not determine that after the warning letters of 20 and 25 April 2007 the marks “Echo Davidoff” or “Davidoff Cool Water Deep” were used again on the defendant’s online marketplace in a manner

corresponding to the complaints. The court instead based its decision on a risk of first infringement. The court of appeal did not arrive at different conclusions. The appeal on the law likewise did not assert a risk of repetition, but expressly based its findings on a risk of first infringement, which the court maintained arose from the fact that the defendant immediately deleted the offers at issue after receiving the reprimand of 20 April 2007, but then put forth the opinion in its response to the action that this was done purely for reasons of goodwill.

41 To the extent that the plaintiff applied in the appeal proceedings to have the publication of sales offers stopped that refer to perfume in the 20 ml size under the designation “Davidoff” alone, without the additional “Echo” or “Cool Water Deep”, this lacks even the first requirement of giving the defendant sufficient notification that an infringement has taken place. The plaintiff’s letters of 20 and 25 April 2007 concern only offers under the designations “Echo Davidoff” and “Davidoff Cool Water Deep”.

42 – b) Further, no risk of a first infringement is present.

43 In the dispute at hand, the defendant deleted the contested offers upon receipt of the warning letters. The district court still assumed risk of first infringement, however, on grounds that the opinion expressed by the defendant in its answer to the complaint that the deletion took place solely for reasons of goodwill, and also the attitude of the defendant regarding the standards it expected of the warning letter, allowed the conclusion that the defendant did not feel obliged to make sure the offers of the perfume “Davidoff Echo” in a 20 ml size would in future be filtered. The appeal on the law likewise bases the existence of a first infringement on the view expressed by the defendant in the answer to the complaint that the deletion was made solely out of goodwill. The appeal on the law is not successful on this point.

44 A preventive injunctive claim based on a risk of first infringement only stands if grave and tangible factual indications are present that the opponent to the claim will in the near future perform unlawful acts in the manner concerned. A risk of first infringement can also arise from a party who claims the right to perform certain acts. Such a claim from which the direct or, in the near future, serious threat of risk of an infringement can be derived, can under certain circumstances be seen in declarations that are presented in the context of a defence in a legal proceeding. The fact alone that a defendant defends himself against the action and in the process expresses the view that he is entitled to the conduct at issue, however, cannot be taken as a claim giving rise to a risk of first infringement. A legal defence can, however, form the grounds for a risk of first infringement if not only the party’s own legal standpoint is expressed, in order to keep the mere possibility of such conduct open for the future, but if the statements also indicate, when the individual facts of the case are considered, that the defendant is willing to act in this way immediately or in the near future.

45 In the dispute at hand, no circumstances were ascertained, or alleged by the appeal on the law, that could justify the conclusion that the defendant was not merely expressing its legal standpoint, but also making clear that regardless of the

outcome of the court proceeding it would in future not prevent the publication of offers of perfume in the 20 ml size under the designations “Echo Davidoff” and “Davidoff Cool Water Deep”.

46 – II The assumption of the court of appeal that the plaintiff is not entitled to a claim for disclosure of the names and addresses of the traders with the user names “Gold-Discount-Darmstadt” and “mein_duft”, which are held by the defendant, also, in the outcome, stands up to judicial review.

47 A disclosure claim based on Sec. 242 of the Civil Code under the aspect of preparation for a damage compensation claim—which in any case only comes into consideration if the defendant is liable not only as a tortfeasor, but also as a perpetrator or accessory—like a claim arising from Sec. 19(1) of the Trade Mark Act, requires that the defendant has already committed an infringement. In the present case, however, the appeal on the law is based solely on the aspect of the risk of first infringement. As shown above, it has not been determined that the defendant broke its obligation to examine the facts after the plaintiff’s notices of 20 and 25 April 2007 by not preventing similar offers of the traders with the user names “Gold-Discount-Darmstadt” and “mein_duft”. The appeal on the law, as far as this is concerned, does not accuse the court of appeal of having overlooked any such pleading on the part of the plaintiff. The appeal on the law furthermore did not assert that the court of appeal had erred on a point of law in denying a claim based on Sec. 19(2) of the Trade Mark Act.

48 The plaintiff’s appeal on the law must therefore be dismissed

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