Court of Justice EU, 23 March 2010, Google Adwords

TRADEMARK LAW

Use of trade marks as keywords in search engine advertising service

- **That the proprietor of a trade mark is entitled to prohibit an advertiser from advertising, on the basis of a keyword identical with that trade mark which that advertiser has.**

that the proprietor of a trade mark is entitled to prohibit an advertiser from advertising, on the basis of a keyword identical with that trade mark which that advertiser has, without the consent of the proprietor, selected in connection with an internet referencing service, goods or services identical with those for which that mark is registered, in the case where that ad does not enable an average internet user, or enables that user only with difficulty, to ascertain whether the goods or services referred to therein originate from the proprietor of the trade mark or an undertaking economically connected to it or, on the contrary, originate from a third party;

No use of the sign by internet referencing service provider

- **An internet referencing service provider which stores, as a keyword, a sign identical with a trade mark and organises the display of ads on the basis of that keyword does not use that sign within the meaning of Article 5(1) of Directive 89/104 or of Article 9(1)(a) and (b) of Regulation No 40/94.**
- **An internet referencing service provider which stores, as a keyword, a sign identical with a reputable trade mark and arranges the display of ads on the basis of that keyword does not use that sign within the meaning of Article 5(2) of Directive 89/104 or of Article 9(1)(c) of Regulation No 40/94.**

LIABILITY

Internet referencing service provider not liable when it has played a passive role

- **That Article 14 of Directive 2000/31 must be interpreted as meaning that the rule laid down therein applies to an internet referencing service provider in the case where that service provider has not played an active role of such a kind as to give it knowledge of, or control over, the data stored.**
- **If it has not played such a role, that ser-vice provider cannot be held liable for the data which it has stored at the request of an advertiser, unless, having obtained knowledge of the unlawful nature of those data or of that advertiser's activities, it failed to act ex-peditiously to remove or to disable access to the data concerned.**

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Court of Justice EU, 23 March 2010
(V. Skouris, A. Tizzano, J.N. Cunha Rodrigues, K. Lenaerts, E. Levits, C.W.A. Timmermans, A. Rosas, A. Borg Barthet, M. Ilešič, J. Malenovský, U. Lõhmus, A. Ó Caoimh and J.-J. Kasel)
JUDGMENT OF THE COURT (Grand Chamber)
23 March 2010 (*)
(Trade marks – Internet – Search engine – Keyword advertising – Display, on the basis of keywords corresponding to trade marks, of links to sites of competitors of the proprietors of those marks or to sites offering imitation goods – Directive 89/104/EEC – Article 5 – Regulation (EC) No 40/94 – Article 9 – Liability of the search engine operator – Directive 2000/31/EC ('Directive on electronic commerce'))
In Joined Cases C-236/08 to C-238/08,
REFERENCES for a preliminary ruling under Article 234 EC from the Cour de cassation (France), made by decisions of 20 May 2008, received at the Court on 3 June 2008, in the proceedings
Google France SARL,
Google Inc.
v
Louis Vuitton Malletier SA (C-236/08),
Google France SARL
v
Viaticum SA,
Luteciel SARL (C-237/08),
and
Google France SARL
v
Centre national de recherche en relations humaines (CNRRH) SARL,
Pierre-Alexis Thonet,
Bruno Raboin,
Tiger SARL (C-238/08),
THE COURT (Grand Chamber),
composed of V. Skouris, President, A. Tizzano, J.N. Cunha Rodrigues, K. Lenaerts and E. Levits, Presidents of Chambers, C.W.A. Timmermans, A. Rosas, A. Borg Barthet, M. Ilešič (Rapporteur), J. Malenovský, U. Lõhmus, A. Ó Caoimh and J.-J. Kasel, Judges,
Advocate General: M. Poiares Maduro,
Registrar: H. von Holstein, Deputy Registrar,
having regard to the written procedure and further to the hearing on 17 March 2009,
after considering the observations submitted on behalf of:
– Google France SARL and Google Inc., by A. Néri and S. Proust, avocats, and by G. Hobbs QC,
– Louis Vuitton Malletier SA, by P. de Candé, avocat,

– Viaticum SA and Luteciel SARL, by C. Fabre, avocat,
– Centre national de recherche en relations humaines (CNRRH) SARL and M. Thonet, by L. Boré and P. Buisson, avocats,
– Tiger SARL, by O. de Nervo, avocat,
– the French Government, by G. de Bergues and B. Cabouat, acting as Agents,
– the Commission of the European Communities, by H. Krämer, acting as Agent,
after hearing the **Opinion of the Advocate General at the sitting on 22 September 2009**,
gives the following

Judgment

1 These references for a preliminary ruling concern the interpretation of Article 5(1) and (2) 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), Article 9(1) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1) and Article 14 of 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 ('Directive on electronic commerce') (OJ 2000 L 178, p. 1).

2 The references have been made in the course of proceedings between, in Case C-236/08, the companies Google France SARL and Google Inc. (individually or jointly 'Google') and the company Louis Vuitton Malletier SA ('Vuitton') and, in Cases C-237/08 and C-238/08, between Google and the companies Viaticum SA ('Viaticum'), Luteciel SARL ('Luteciel'), Centre national de recherche en relations humaines (CNRRH) SARL ('CNRRH') and Tiger SARL ('Tiger'), and two natural persons, Mr Thonet and Mr Raboin, concerning the display on the internet of advertising links on the basis of keywords corresponding to trade marks.

I – Legal context

A – Directive 89/104

3 Article 5 of Directive 89/104, entitled 'Rights conferred by a trade mark', 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 l 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 the sign;

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

…'

4 Article 6 of Directive 89/104, entitled 'Limitation of the effects of a trade mark', provides:

'1. The trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade,

(a) his own name or address;

(b) indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of the service, or other characteristics of goods or services;

(c) the trade mark where it is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts;

provided he uses them in accordance with honest practices in industrial or commercial matters.

…'

5 Article 7 of Directive 89/104, entitled 'Exhaustion of the rights conferred by a trade mark', stated in its original version:

'1. The trade mark shall not entitle the proprietor to prohibit its use in relation to goods which have been put on the market in the Community under that trade mark by the proprietor or with his consent.

2. Paragraph 1 shall not apply where there exist legitimate reasons for the proprietor to oppose further commercialisation of the goods, especially where the condition of the goods is changed or impaired after they have been put on the market.'

6 Pursuant to Article 65(2) of the Agreement on the European Economic Area ('the EEA') of 2 May 1992 (OJ 1994 L 1, p. 3), in conjunction with Point 4 of Annex XVII to that agreement, the original version of Article 7(1) of Directive 89/104 was amended for the purposes of the EEA Agreement and the expression 'in the Community' was replaced by the words 'in a Contracting Party'.

7 Directive 89/104 has been 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 (codified version) (OJ 2008 L 299, p. 25), which entered into force on 28 November 2008. However, having regard to the time at which the facts occurred, the disputes in the main proceedings remain governed by Directive 89/104.

B – Regulation No 40/94

8 Article 9 of Regulation No 40/94, entitled 'Rights conferred by a Community trade mark', provides:

'1. A Community 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 Community trade mark in relation to goods or services which are identical with those for which the Community trade mark is registered;

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

(c) any sign which is identical with or similar to the Community trade mark in relation to goods or services which are not similar to those for which the Community trade mark is registered, where the latter has a reputation in the Community 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 Community trade mark.

2. The following, inter alia, may be prohibited under paragraph 1:

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

(b) offering the goods, 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.

…'

9 Article 12 of Regulation No 40/94, entitled 'Limitation of the effects of a Community trade mark', provides:

'A Community trade mark shall not entitle the proprietor to prohibit a third party from using in the course of trade:

(a) his own name or address;

(b) indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of the goods or of rendering of the service, or other characteristics of the goods or service;

(c) the trade mark where it is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts,

provided he uses them in accordance with honest practices in industrial or commercial matters.'

10 Article 13 of Regulation No 40/94, entitled 'Exhaustion of the rights conferred by a Community trade mark', states:

'1. A Community trade mark shall not entitle the proprietor to prohibit its use in relation to goods which have been put on the market in the Community under that trade mark by the proprietor or with his consent.

2. Paragraph 1 shall not apply where there exist legitimate reasons for the proprietor to oppose further commercialisation of the goods, especially where the condition of the goods is changed or impaired after they have been put on the market.'

11 Regulation No 40/94 was repealed by Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (codified version) (OJ 2009 L 78, p. 1), which entered into force on 13 April 2009. However, having regard to the time at which the facts occurred, the disputes in the main proceedings remain governed by Regulation No 40/94.

C – Directive 2000/31

12 Recital 29 in the preamble to Directive 2000/31 states:

'Commercial communications are essential for the financing of information society services and for developing a wide variety of new, charge-free services; in the interests of consumer protection and fair trading, commercial communications … must meet a number of transparency requirements; …'

13 Recitals 40 to 46 in the preamble to Directive 2000/31 read as follows:

'(40) Both existing and emerging disparities in Member States' legislation and case-law concerning liability of service providers acting as intermediaries prevent the smooth functioning of the internal market, in particular by impairing the development of cross-border services …; service providers have a duty to act, under certain circumstances, with a view to preventing or stopping illegal activities; this Directive should constitute the appropriate basis for the development of rapid and reliable procedures for removing and disabling access to illegal information; …

(41) This Directive strikes a balance between the different interests at stake and establishes principles upon which industry agreements and standards can be based.

(42) The exemptions from liability established in this Directive cover only cases where the activity of the information society service provider is limited to the technical process of operating and giving access to a communication network over which information made available by third parties is transmitted or temporarily stored, for the sole purpose of making the transmission more efficient; this activity is of a mere technical, automatic and passive nature, which implies that the information society service provider has neither knowledge of nor control over the information which is transmitted or stored.

(43) A service provider can benefit from the exemptions for "mere conduit" and for "caching" when he is in no way involved with the information transmitted; …

(44) A service provider who deliberately collaborates with one of the recipients of his service in order to undertake illegal acts goes beyond the activities of "mere conduit" or "caching" and as a result cannot benefit from the liability exemptions established for these activities.

(45) The limitations of the liability of intermediary service providers established in this Directive do not affect the possibility of injunctions of different kinds; …

(46) In order to benefit from a limitation of liability, the provider of an information society service, consisting of the storage of information, upon obtaining actual knowledge or awareness of illegal activities has to act expeditiously to remove or to disable access to the information concerned; …'

14 Article 2(a) of Directive 2000/31 defines 'information society services' by reference to Article 1(2) of Directive 98/34/EC of the European Parliament and of the Council of 22 June 1998 laying down a procedure for the provision of information in the field of technical standards and regulations (OJ 1998 L 204, p. 37), as amended by Directive 98/48/EC of the European Parliament and of the Council of 20 July 1998 (OJ 1998 L 217, p. 18), as:

'any service normally provided for remuneration, at a distance, by electronic means and at the individual request of a recipient of services'.

15 Article 1(2) of Directive 98/34, in the version amended by Directive 98/48, continues as follows:

'…

For the purposes of this definition:

– "at a distance" means that the service is provided without the parties being simultaneously present,

– "by electronic means" means that the service is sent initially and received at its destination by means of electronic equipment for the processing … and storage of data, and entirely transmitted, conveyed and received by wire, by radio, by optical means or by other electromagnetic means,

– "at the individual request of a recipient of services" means that the service is provided through the transmission of data on individual request.

…'

16 Article 6 of Directive 2000/31 states:

'In addition to other information requirements established by Community law, Member States shall ensure that commercial communications which are part of … an information society service comply at least with the following conditions:

…

(b) the natural or legal person on whose behalf the commercial communication is made shall be clearly identifiable;

…'

17 Chapter II of Directive 2000/31 includes a Section 4, entitled 'Liability of intermediary service providers', which comprises Articles 12 to 15.

18 Article 12 of Directive 2000/31, entitled 'Mere conduit', provides:

'1. Where an information society service is provided that consists of the transmission in a communication network of information provided by a recipient of the service, or the provision of access to a communication network, Member States shall ensure that the service provider is not liable for the information transmitted, on condition that the provider:

(a) does not initiate the transmission;

(b) does not select the receiver of the transmission; and

(c) does not select or modify the information contained in the transmission.

2. The acts of transmission and of provision of access referred to in paragraph 1 include the automatic, intermediate and transient storage of the information transmitted in so far as this takes place for the sole purpose of carrying out the transmission in the communication network, and provided that the information is not stored for any period longer than is reasonably necessary for the transmission.

3. This Article shall not affect the possibility for a court or administrative authority, in accordance with Member States' legal systems, of requiring the service provider to terminate or prevent an infringement.'

19 Article 13 of Directive 2000/31, entitled 'Caching', states:

'1. Where an information society service is provided that consists of the transmission in a communication network of information provided by a recipient of the service, Member States shall ensure that the service provider is not liable for the automatic, intermediate and temporary storage of that information, performed for the sole purpose of making more efficient the information's onward transmission to other recipients of the service upon their request, on condition that:

(a) the provider does not modify the information;

(b) the provider complies with conditions on access to the information;

(c) the provider complies with rules regarding the updating of the information, specified in a manner widely recognised and used by industry;

(d) the provider does not interfere with the lawful use of technology, widely recognised and used by industry, to obtain data on the use of the information; and

(e) the provider acts expeditiously to remove or to disable access to the information it has stored upon obtaining actual knowledge of the fact that the information at the initial source of the transmission has been removed from the network, or access to it has been disabled, or that a court or an administrative authority has ordered such removal or disablement.

2. This Article shall not affect the possibility for a court or administrative authority, in accordance with Member States' legal systems, of requiring the service provider to terminate or prevent an infringement.'

20 Article 14 of Directive 2000/31, entitled 'Hosting', provides:

'1. Where an information society service is provided that consists of the storage of information provided by a recipient of the service, Member States shall ensure that the service provider is not liable for the information stored at the request of a recipient of the service, on condition that:

(a) the provider does not have actual knowledge of illegal activity or information and, as regards claims for damages, is not aware of facts or circumstances from which the illegal activity or information is apparent; or

(b) the provider, upon obtaining such knowledge or awareness, acts expeditiously to remove or to disable access to the information.

2. Paragraph 1 shall not apply when the recipient of the service is acting under the authority or the control of the provider.

3. This Article shall not affect the possibility for a court or administrative authority, in accordance with Member States' legal systems, of requiring the service provider to terminate or prevent an infringement, nor does it affect the possibility for Member States of establishing procedures governing the removal or disabling of access to information.'

21 Article 15 of Directive 2000/31, entitled 'No general obligation to monitor', provides:

'1. Member States shall not impose a general obligation on providers, when providing the services covered by Articles 12, 13 and 14, to monitor the information which they transmit or store, nor a general obligation actively to seek facts or circumstances indicating illegal activity.

2. Member States may establish obligations for information society service providers promptly to inform the competent public authorities of alleged illegal activities undertaken or information provided by recipients of their service or obligations to communicate to the competent authorities, at their request, information enabling the identification of recipients of their service with whom they have storage agreements.'

II – The disputes in the main proceedings and the questions referred for a preliminary ruling

A – The 'AdWords' referencing service

22 Google operates an internet search engine. When an internet user performs a search on the basis of one or more words, the search engine will display the sites which appear best to correspond to those words, in decreasing order of relevance. These are referred to as the 'natural' results of the search.

23 In addition, Google offers a paid referencing service called 'AdWords'. That service enables any economic operator, by means of the reservation of one or more keywords, to obtain the placing, in the event of a correspondence between one or more of those words and that/those entered as a request in the search engine by an internet user, of an advertising link to its site. That advertising link appears under the heading 'sponsored links', which is displayed either on the right-hand side of the screen, to the right of the natural results, or on the upper part of the screen, above the natural results.

24 That advertising link is accompanied by a short commercial message. Together, that link and that message constitute the advertisement ('ad') displayed under the abovementioned heading.

25 A fee for the referencing service is payable by the advertiser for each click on the advertising link. That fee is calculated on the basis, in particular, of the 'maximum price per click' which the advertiser agreed to pay when concluding with Google the contract for the referencing service, and on the basis of the number of times that link is clicked on by internet users.

26 A number of advertisers can reserve the same keyword. The order in which their advertising links are then displayed is determined according to, in particular, the maximum price per click, the number of previous clicks on those links and the quality of the ad as assessed by Google. The advertiser can at any time improve its ranking in the display by fixing a higher maximum price per click or by trying to improve the quality of its ad.

27 Google has set up an automated process for the selection of keywords and the creation of ads. Advertisers select the keywords, draft the commercial message, and input the link to their site.

B – Case C-236/08

28 Vuitton, which markets, in particular, luxury bags and other leather goods, is the proprietor of the Community trade mark 'Vuitton' and of the French national trade marks 'Louis Vuitton' and 'LV'. It is common ground that those marks enjoy a certain reputation.

29 At the beginning of 2003, Vuitton became aware that the entry, by internet users, of terms constituting its trade marks into Google's search engine triggered the display, under the heading 'sponsored links', of links to sites offering imitation versions of Vuitton's products. It was also established that Google offered advertisers the possibility of selecting not only keywords which correspond to Vuitton's trade marks, but also those keywords in combination with expressions indicating imitation, such as 'imitation' and 'copy'.

30 Vuitton brought proceeding against Google with a view, inter alia, to obtaining a declaration that Google had infringed its trade marks.

31 Google was found guilty of infringing Vuitton's trade marks by a judgment of 4 February 2005 of the Tribunal de grande instance de Paris (Regional Court, Paris), and subsequently, on appeal, by judgment of 28 June 2006 of the Cour d'appel de Paris (Court of Appeal, Paris). Google has brought an appeal on a point of law (cassation) against that latter judgment.

32 In those circumstances, the Cour de cassation (French Court of Cassation) decided to stay the proceedings and to refer the following questions to the Court for a preliminary ruling:

'1. Must Article 5(1)(a) and (b) of [Directive 89/104] and Article 9(1)(a) and (b) of [Regulation No 40/94] be interpreted as meaning that a provider of a paid referencing service who makes available to advertisers keywords reproducing or imitating registered trade marks and arranges by the referencing agreement to create and favourably display, on the basis of those keywords, advertising links to sites offering infringing goods is using those trade marks in a manner which their proprietor is entitled to prevent?

2. In the event that the trade marks have a reputation, may the proprietor oppose such use under Article 5(2) of [Directive 89/104] and Article 9(1)(c) of [Regulation No 40/94]?

3. In the event that such use does not constitute a use which may be prevented by the trade mark proprietor under [Directive 89/104] or [Regulation No 40/94],

may the provider of the paid referencing service be regarded as providing an information society service consisting of the storage of information provided by the recipient of the service, within the meaning of Article 14 of [Directive 2000/31], so that that provider cannot incur liability until it has been notified by the trade mark proprietor of the unlawful use of the sign by the advertiser?'

C – Case C-237/08

33 Viaticum is the proprietor of the French trade marks 'Bourse des Vols', 'Bourse des Voyages' and 'BDV', registered for travel-arrangement services.

34 Luteciel is a provider of information-technology services to travel agencies. It publishes and maintains Viaticum's internet site.

35 Viaticum and Luteciel became aware that the entry, by internet users, of terms constituting the abovementioned trade marks into Google's search engine triggered the display, under the heading 'sponsored links', of links to sites of competitors of Viaticum. It was also established that Google offered advertisers the possibility of selecting, to that end, keywords which correspond to those trade marks.

36 Viaticum and Luteciel brought proceedings against Google. By judgment of 13 October 2003, the Tribunal de grande instance de Nanterre (Regional Court, Nanterre) found Google guilty of infringement of trade marks and ordered it to compensate Viaticum and Luteciel for the losses which they had suffered. Google appealed to the Cour d'appel de Versailles (Court of Appeal, Versailles). That court ruled, by judgment of 10 March 2005, that Google had acted as an accessory to infringement, and it upheld the judgment of 13 October 2003. Google has brought an appeal in cassation against the judgment of the Cour d'appel de Versailles.

37 In those circumstances, the Cour de cassation decided to stay the proceedings and to refer the following questions to the Court for a preliminary ruling:

'1. Must Article 5(1)(a) and (b) of [Directive 89/104] be interpreted as meaning that a provider of a paid referencing service who makes available to advertisers keywords reproducing or imitating registered trade marks and arranges by the referencing agreement to create and favourably display, on the basis of those keywords, advertising links to sites offering goods identical or similar to those covered by the trade mark registration is using those trade marks in a manner which their proprietor is entitled to prevent?

2. In the event that such use does not constitute a use which may be prevented by the trade mark proprietor under [Directive 89/104] or [Regulation No 40/94], may the provider of the paid referencing service be regarded as providing an information society service consisting of the storage of information provided by the recipient of the service, within the meaning of Article 14 of [Directive 2000/31], so that that provider cannot incur liability before it has been informed by the trade mark proprietor of the unlawful use of the sign by the advertiser?'

D – Case C-238/08

38 Mr Thonet is the proprietor of the French trade mark 'Eurochallenges', registered for, inter alia, matrimonial agency services. CNRRH is a matrimonial agency and holds a licence, granted by Mr Thonet, under the abovementioned mark.

39 During 2003, Mr Thonet and CNRRH became aware that the entry, by internet users, of terms constituting the abovementioned trade mark into Google's search engine triggered the display, under the heading 'sponsored links', of links to sites of competitors of CNRRH, operated by Mr Raboin and Tiger respectively. It was also established that Google offered advertisers the possibility of selecting that term as a keyword for that purpose.

40 On the application of Mr Thonet and CNRRH, Mr Raboin, Tiger and Google were found guilty of infringement of the trade mark by judgment of 14 December 2004 of the Tribunal de grande instance de Nanterre, and subsequently, on appeal, by judgment of 23 March 2006 of the Cour d'appel de Versailles. Google has lodged an appeal in cassation against that latter judgment.

41 In those circumstances, the Cour de cassation decided to stay the proceedings and to refer the following questions to the Court for a preliminary ruling:

'1. Does the reservation by an economic operator, by means of an agreement on paid internet referencing, of a keyword triggering, in the case of a request using that word, the display of a link proposing connection to a site operated by that operator in order to offer for sale goods or services, and which reproduces or imitates a trade mark registered by a third party in order to designate identical or similar goods, without the authorisation of the proprietor of that trade mark, constitute in itself an infringement of the exclusive right guaranteed to the latter by Article 5 of [Directive 89/104]?

2. Must Article 5(1)(a) and (b) of [Directive 89/104] be interpreted as meaning that a provider of a paid referencing service who makes available to advertisers keywords reproducing or imitating registered trade marks and arranges by the referencing agreement to create and favourably display, on the basis of those keywords, advertising links to sites offering goods identical or similar to those covered by the trade mark registration is using those trade marks in a manner which their proprietor is entitled to prevent?

3. In the event that such use does not constitute a use which may be prevented by the trade mark proprietor under [Directive 89/104] or [Regulation No 40/94], may the provider of the paid referencing service be regarded as providing an information society service consisting of the storage of information provided by the recipient of the service, within the meaning of Article 14 of [Directive 2000/31], so that that provider cannot incur liability before it has been informed by the trade mark proprietor of the unlawful use of the sign by the advertiser?'

III – Consideration of the questions referred

A – Use, in an internet referencing service, of keywords corresponding to trade marks of other persons

1. Preliminary considerations

42 It is common ground that the disputes in the main proceedings arise from the use, as keywords in an internet referencing service, of signs which correspond to trade marks, without consent having been given by the proprietors of those trade marks. Those keywords have been chosen by clients of the referencing service provider and accepted and stored by that provider. The clients in question either market imitations of the products of the trade mark proprietor (Case C-236/08) or are, quite simply, competitors of the trade mark proprietor (Cases C-237/08 and C-238/08).

43 By its first question in Case C-236/08, first question in Case C-237/08 and first and second questions in Case C-238/08, which it is appropriate to consider together, the Cour de cassation asks, in essence, whether Article 5(1)(a) and (b) of Directive 89/104 and Article 9(1)(a) and (b) of Regulation No 40/94 are to be interpreted as meaning that the proprietor of a trade mark is entitled to prohibit a third party from displaying, or arranging for the display of, on the basis of a keyword identical with, or similar to, that trade mark which that third party has, without the consent of that proprietor, selected or stored in connection with an internet referencing service, an ad for goods or services identical with, or similar to, those for which that mark is registered.

44 The first question in Case C-236/08, first question in Case C-237/08 and second question in Case C-238/08 focus, in that regard, on the storage of such a keyword by the provider of the referencing service and its organisation of the display of its client's ad on the basis of that word, while the first question in Case C-238/08 relates to the selection of the sign as a keyword by the advertiser and the display, by means of the referencing mechanism, of the ad which results from that selection.

45 Article 5(1)(a) and (b) of Directive 89/104 and Article 9(1)(a) and (b) of Regulation No 40/94 entitle proprietors of trade marks, subject to certain conditions, to prohibit third parties from using signs identical with, or similar to, their trade marks for goods or services identical with, or similar to, those for which those trade marks are registered.

46 In the disputes in the main proceedings, the use of signs corresponding to trade marks as keywords has the object and effect of triggering the display of advertising links to sites on which goods or services are offered which are identical with those for which those trade marks are registered, namely, leather goods, travel-arrangement services and matrimonial agency services respectively.

47 Accordingly, the Court will examine the question referred to in paragraph 43 of the present judgment principally from the angle of Article 5(1)(a) of Directive 89/104 and Article 9(1)(a) of Regulation No 40/94 and only incidentally from the angle of the respective paragraphs (1)(b) thereof, since the latter provisions cover, in the case of signs identical with the trade mark, the situation in which the third party's goods or services are merely similar to those for which the trade mark is registered.

48 Following that examination, it will be appropriate to answer the second question in Case C-236/08, by which the Court is asked to examine the same problem from the angle of Article 5(2) of Directive 89/104 and Article 9(1)(c) of Regulation No 40/94, which concern the rights conferred by reputable trade marks. Subject to verification by the Cour de cassation, it appears from the reference for a preliminary ruling that the legislation applicable in France includes the rule referred to in Article 5(2) of Directive 89/104. Furthermore, the Court has stated that that provision of the directive must be interpreted not solely on the basis of its wording, but also in the light of the overall scheme and objectives of the system of which it is a part. Accordingly, the rule referred to in Article 5(2) of Directive 89/104 concerns not only situations in which a third party uses a sign identical with, or similar to, a sign which has a reputation for goods or services which are not similar to those for which that trade mark is registered, but also situations in which such use is made for goods or services which are identical with, or similar to, those for which that trade mark is registered (**Case C-292/00 Davidoff [2003] ECR I-389**, paragraphs 24 to 30, and **Case C-102/07 adidas and adidas Benelux [2008] ECR I-2439**, paragraph 37).

2. The interpretation of Article 5(1)(a) of Directive 89/104 and Article 9(1)(a) of Regulation No 40/94

49 By application of Article 5(1)(a) of Directive 89/104 or, in the case of Community trade marks, of Article 9(1)(a) of Regulation No 40/94, the proprietor of a trade mark is entitled to prohibit a third party from using, without the proprietor's 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, or similar to, those for which that trade mark is registered, and affects, or is liable to affect, the functions of the trade mark (see, inter alia, **Case C-17/06 Céline [2007] ECR I-7041**, paragraph 16; order in **Case C-62/08 UDV North America [2009] ECR I-0000**, paragraph 42; and **Case C-487/07 L'Oréal and Others [2009] ECR I-0000**, paragraph 58).

a) Use in the course of trade

50 The use of a sign identical with a trade mark constitutes use in the course of trade where it occurs in the context of commercial activity with a view to economic advantage and not as a private matter (**Case C-206/01 Arsenal Football Club [2002] ECR I-10273**, paragraph 40; Céline, paragraph 17; and UDV North America, paragraph 44).

51 With regard, firstly, to the advertiser purchasing the referencing service and choosing as a keyword a sign identical with another's trade mark, it must be held that that advertiser is using that sign within the meaning of that case-law.

52 From the advertiser's point of view, the selection of a keyword identical with a trade mark has the object and effect of displaying an advertising link to the site

on which he offers his goods or services for sale. Since the sign selected as a keyword is the means used to trigger that ad display, it cannot be disputed that the advertiser indeed uses it in the context of commercial activity and not as a private matter.

53 With regard, next, to the referencing service provider, it is common ground that it is carrying out a commercial activity with a view to economic advantage when it stores as keywords, for certain of its clients, signs which are identical with trade marks and arranges for the display of ads on the basis of those keywords.

54 It is also common ground that that service is not supplied only to the proprietors of those trade marks or to operators entitled to market their goods or services, but, at least in the proceedings in question, is provided without the consent of the proprietors and is supplied to their competitors or to imitators.

55 Although it is clear from those factors that the referencing service provider operates 'in the course of trade' when it permits advertisers to select, as keywords, signs identical with trade marks, stores those signs and displays its clients' ads on the basis thereof, it does not follow, however, from those factors that that service provider itself 'uses' those signs within the terms of Article 5 of Directive 89/104 and Article 9 of Regulation No 40/94.

56 In that regard, suffice it to note that the use, by a third party, of a sign identical with, or similar to, the proprietor's trade mark implies, at the very least, that that third party uses the sign in its own commercial communication. A referencing service provider allows its clients to use signs which are identical with, or similar to, trade marks, without itself using those signs.

57 That conclusion is not called into question by the fact that that service provider is paid by its clients for the use of those signs. The fact of creating the technical conditions necessary for the use of a sign and being paid for that service does not mean that the party offering the service itself uses the sign. To the extent to which it has permitted its client to make such a use of the sign, its role must, as necessary, be examined from the angle of rules of law other than Article 5 of Directive 89/104 and Article 9 of Regulation No 40/94, such as those referred to in paragraph 107 of the present judgment.

58 It follows from the foregoing that a referencing service provider is not involved in use in the course of trade within the meaning of the abovementioned provisions of Directive 89/104 and of Regulation No 40/94.

59 Consequently, the conditions relating to use 'in relation to goods or services' and to the effect on the functions of the trade mark need to be examined only in relation to the use, by the advertiser, of the sign identical with the mark.

b) Use 'in relation to goods or services'

60 The expression 'in relation to goods or services' identical with those for which the trade mark is registered, which features in Article 5(1)(a) of Directive 89/104 and Article 9(1)(a) of Regulation No 40/94, relates, in principle, to goods or services of third parties who use a sign identical with the mark (see **Case C-48/05 Adam Opel [2007] ECR I-1017**, paragraphs 28 and 29, and **Case C-533/06 O2 Holdings and O2 (UK) [2008] ECR I-4231**, paragraph 34). As appropriate, it can also refer to goods or services of another person on whose behalf the third party is acting (order in UDV North America, paragraphs 43 to 51).

61 As the Court has already held, the types of conduct listed in Article 5(3) of Directive 89/104 and Article 9(2) of Regulation No 40/94, namely, the affixing of a sign identical to the trade mark onto goods and the offering of the goods, the importing or exporting of the goods under the sign and the use of the sign on business papers and in advertising, constitute use in relation to the goods or services (see Arsenal Football Club, paragraph 41, and Adam Opel, paragraph 20).

62 The facts giving rise to the dispute in the main proceedings in Case C-236/08 are similar to certain of the situations described in those provisions of Directive 89/104 and of Regulation No 40/94, namely the offering of goods by a third party under a sign identical with the trade mark and the use of that sign in advertising. It is apparent from the file that signs identical with Vuitton's trade marks have appeared in ads displayed under the heading 'sponsored links'.

63 In Cases C-237/08 and C-238/08, by contrast, there is no use in the third party's ad of a sign identical with the trade mark.

64 Google submits that, in the absence of any mention of a sign in the actual ad, it cannot be argued that use of that sign as a keyword equates to use in relation to goods or services. The trade mark proprietors challenging Google and the French Government take the opposite view.

65 In this connection, it should be borne in mind that Article 5(3) of Directive 89/104 and Article 9(2) of Regulation No 40/94 provide only a non-exhaustive list of the kinds of use which the proprietor may prohibit (Arsenal Football Club, paragraph 38; **Case C-228/03 Gillette Company and Gillette Group Finland [2005] ECR I-2337**, paragraph 28; and Adam Opel, paragraph 16). Accordingly, the fact that the sign used by the third party for advertising purposes does not appear in the ad itself cannot of itself mean that that use falls outside the concept of '[use] … in relation to goods or services' within the terms of Article 5 of Directive 89/104.

66 Furthermore, an interpretation according to which only the uses mentioned in that list are relevant would fail to have regard for the fact that that list was drawn up before the full emergence of electronic commerce and the advertising produced in that context. It is those electronic forms of commerce and advertising which can, by means of computer technology, typically give rise to uses which differ from those listed in Article 5(3) of Directive 89/104 and Article 9(2) of Regulation No 40/94.

67 In the case of the referencing service, it is common ground that the advertiser, having chosen as a keyword a sign identical with another person's trade mark, intends that internet users who enter that word as a search term should click not only on the links dis-

played which come from the proprietor of the trade mark, but also on the advertising link of that advertiser.

68 It is also clear that in most cases an internet user entering the name of a trade mark as a search term is looking for information or offers on the goods or services covered by that trade mark. Accordingly, when advertising links to sites offering goods or services of competitors of the proprietor of that mark are displayed beside or above the natural results of the search, the internet user may, if he does not immediately disregard those links as being irrelevant and does not confuse them with those of the proprietor of the mark, perceive those advertising links as offering an alternative to the goods or services of the trade mark proprietor.

69 In that situation, characterised by the fact that a sign identical with a trade mark is selected as a keyword by a competitor of the proprietor of the mark with the aim of offering internet users an alternative to the goods or services of that proprietor, there is a use of that sign in relation to the goods or services of that competitor.

70 It must be borne in mind, in that regard, that the Court has already held that the use by an advertiser, in a comparative advertisement, of a sign identical with, or similar to, the mark of a competitor for the purposes of identifying the goods and services offered by the latter and to compare its own goods or services therewith, is use 'in relation to goods or services' for the purposes of Article 5(1) of Directive 89/104 (see O2 Holdings and O2 (UK), paragraphs 35, 36 and 42, and L'Oréal and Others, paragraphs 52 and 53).

71 Without its being necessary to examine whether or not advertising on the internet on the basis of keywords which are identical with competitors' trade marks constitutes a form of comparative advertising, it is clear in any event that, as has been held in the case-law cited in the preceding paragraph, the use made by the advertiser of a sign identical with the trade mark of a competitor in order that internet users become aware not only of the goods or services offered by that competitor but also of those of the advertiser constitutes a use in relation to the goods or services of that advertiser.

72 In addition, even in cases in which the advertiser does not seek, by its use, as a keyword, of a sign identical with the trade mark, to present its goods or services to internet users as an alternative to the goods or services of the proprietor of the trade mark but, on the contrary, seeks to mislead internet users as to the origin of its goods or services by making them believe that they originate from the proprietor of the trade mark or from an undertaking economically connected to it, there is use 'in relation to goods or services'. As the Court has previously held, such use exists in any event where the third party uses the sign identical with the trade mark in such a way that a link is established between that sign and the goods marketed or the services provided by the third party (Céline, paragraph 23, and order in UDV North America, paragraph 47).

73 It follows from all of the foregoing that use by an advertiser of a sign identical with a trade mark as a keyword in the context of an internet referencing service falls within the concept of use 'in relation to goods or services' within the meaning of Article 5(1)(a) of Directive 89/104.

74 Likewise, there is use 'in relation to goods or services' within the meaning of Article 9(1)(a) of Regulation No 40/94 where the sign so used is identical with a Community trade mark.

c) Use liable to have an adverse effect on the functions of the trade mark

75 The exclusive right under Article 5(1)(a) of Directive 89/104 and Article 9(1)(a) of Regulation No 40/94 was conferred in order to enable the trade mark proprietor to protect his specific interests as proprietor, that is, to ensure that the trade mark can fulfil its function. The exercise of that right must therefore be reserved to cases in which a third party's use of the sign affects or is liable to affect the functions of the trade mark (see, inter alia, Arsenal Football Club, paragraph 51; Adam Opel, paragraphs 21 and 22; and L'Oréal and Others, paragraph 58).

76 It follows from that case-law that the proprietor of the mark cannot oppose the use of a sign identical with the mark if that use is not liable to cause detriment to any of the functions of that mark (Arsenal Football Club, paragraph 54, and L'Oréal and Others, paragraph 60).

77 Those functions include not only the essential function of the trade mark, which is to guarantee to consumers the origin of the goods or services ('the function of indicating origin'), but also its other functions, in particular that of guaranteeing the quality of the goods or services in question and those of communication, investment or advertising (L'Oréal and Others, paragraph 58).

78 The protection conferred by Article 5(1)(a) of Directive 89/104 and Article 9(1)(a) of Regulation No 40/94 is, in this regard, more extensive than that provided for in the respective paragraphs (1)(b) of those articles, the application of which requires that there be a likelihood of confusion (see, to that effect, Davidoff, paragraph 28, and L'Oréal and Others, paragraph 59).

79 It is apparent from the case-law cited above that in the situation envisaged in Article 5(1)(a) of Directive 89/104 and Article 9(1)(a) of Regulation No 40/94, in which a third party uses a sign identical with a trade mark in relation to goods or services which are identical with those for which that mark is registered, the proprietor of the mark is entitled to prohibit that use if it is liable to have an adverse effect on one of the functions of the mark, whether that be the function of indicating origin or one of the other functions.

80 It is true that the proprietor of the trade mark is not entitled to prohibit such use in the situations listed as exceptions in Articles 6 and 7 of Directive 89/104 and in Articles 12 and 13 of Regulation No 40/94. However, it has not been claimed that any of those exceptions is applicable in the context of the present cases.

81 In the present context, the relevant functions to be examined are the function of indicating origin and the function of advertising.

i) Adverse effect on the function of indicating origin

82 The essential function of a trade mark is to guarantee the identity of the origin of the marked goods or service to the consumer or end user by enabling him to distinguish the goods or service from others which have another origin (see, to that effect, **Case C-39/97 Canon [1998] ECR I-5507**, paragraph 28, and **Case C-120/04 Medion [2005] ECR I-8551**, paragraph 23).

83 The question whether that function of the trade mark is adversely affected when internet users are shown, on the basis of a keyword identical with a mark, a third party's ad, such as that of a competitor of the proprietor of that mark, depends in particular on the manner in which that ad is presented.

84 The function of indicating the origin of the mark is adversely affected if the ad does not enable normally informed and reasonably attentive internet users, or enables them only with difficulty, to ascertain whether the goods or services referred to by the ad originate from the proprietor of the trade mark or an undertaking economically connected to it or, on the contrary, originate from a third party (see, to that effect, Céline, paragraph 27 and the case-law cited).

85 In such a situation, which is, moreover, characterised by the fact that the ad in question appears immediately after entry of the trade mark as a search term by the internet user concerned and is displayed at a point when the trade mark is, in its capacity as a search term, also displayed on the screen, the internet user may err as to the origin of the goods or services in question. In those circumstances, the use by the third party of the sign identical with the mark as a keyword triggering the display of that ad is liable to create the impression that there is a material link in the course of trade between the goods or services in question and the proprietor of the trade mark (see, by way of analogy, Arsenal Football Club, paragraph 56, and **Case C-245/02 Anheuser-Busch [2004] ECR I-10989**, paragraph 60).

86 Still with regard to adverse effect on the function of indicating origin, it is worthwhile noting that the need for transparency in the display of advertisements on the internet is emphasised in the European Union legislation on electronic commerce. Having regard to the interests of fair trading and consumer protection, referred to in recital 29 in the preamble to Directive 2000/31, Article 6 of that directive lays down the rule that the natural or legal person on whose behalf a commercial communication which is part of an information society service is made must be clearly identifiable.

87 Although it thus proves to be the case that advertisers on the internet can, as appropriate, be made liable under rules governing other areas of law, such as the rules on unfair competition, the fact nonetheless remains that the allegedly unlawful use on the internet of signs identical with, or similar to, trade marks lends itself to examination from the perspective of trade-mark law. Having regard to the essential function of a trade mark, which, in the area of electronic commerce, consists in particular in enabling internet users browsing the ads displayed in response to a search relating to a specific trade mark to distinguish the goods or services of the proprietor of that mark from those which have a different origin, that proprietor must be entitled to prohibit the display of third-party ads which internet users may erroneously perceive as emanating from that proprietor.

88 It is for the national court to assess, on a case-by-case basis, whether the facts of the dispute before it indicate adverse effects, or a risk thereof, on the function of indicating origin as described in paragraph 84 of the present judgment.

89 In the case where a third party's ad suggests that there is an economic link between that third party and the proprietor of the trade mark, the conclusion must be that there is an adverse effect on the function of indicating origin.

90 In the case where the ad, while not suggesting the existence of an economic link, is vague to such an extent on the origin of the goods or services at issue that normally informed and reasonably attentive internet users are unable to determine, on the basis of the advertising link and the commercial message attached thereto, whether the advertiser is a third party vis-à-vis the proprietor of the trade mark or, on the contrary, economically linked to that proprietor, the conclusion must also be that there is an adverse effect on that function of the trade mark.

ii) Adverse effect on the advertising function

91 Since the course of trade provides a varied offer of goods and services, the proprietor of a trade mark may have not only the objective of indicating, by means of that mark, the origin of its goods or services, but also that of using its mark for advertising purposes designed to inform and persuade consumers.

92 Accordingly, the proprietor of a trade mark is entitled to prohibit a third party from using, without the proprietor's consent, a sign identical with its trade mark in relation to goods or services which are identical with those for which that trade mark is registered, in the case where that use adversely affects the proprietor's use of its mark as a factor in sales promotion or as an instrument of commercial strategy.

93 With regard to the use by internet advertisers of a sign identical with another person's trade mark as a keyword for the purposes of displaying advertising messages, it is clear that that use is liable to have certain repercussions on the advertising use of that mark by its proprietor and on the latter's commercial strategy.

94 Having regard to the important position which internet advertising occupies in trade and commerce, it is plausible that the proprietor of a trade mark may register its own trade mark as a keyword with a referencing service provider in order to have an ad appear under the heading 'sponsored links'. Where that is the case, the proprietor of the mark must, as necessary, agree to pay a higher price per click than certain other

economic operators if it wishes to ensure that its ad appears before those of those operators which have also selected its mark as a keyword. Furthermore, even if the proprietor of the mark is prepared to pay a higher price per click than that offered by third parties which have also selected that trade mark, the proprietor cannot be certain that its ad will appear before those of those third parties, given that other factors are also taken into account in determining the order in which the ads are displayed.

95 Nevertheless, those repercussions of use by third parties of a sign identical with the trade mark do not of themselves constitute an adverse effect on the advertising function of the trade mark.

96 In accordance with the Cour de cassation's own findings, the situation covered in the questions referred is that of the display of advertising links following the entry by internet users of a search term corresponding to the trade mark selected as a keyword. It is also common ground, in these cases, that those advertising links are displayed beside or above the list of the natural results of the search. Finally, it is not in dispute that the order in which the natural results are set out results from the relevance of the respective sites to the search term entered by the internet user and that the search engine operator does not claim any remuneration for displaying those results.

97 It follows from those factors that, when internet users enter the name of a trade mark as a search term, the home and advertising page of the proprietor of that mark will appear in the list of the natural results, usually in one of the highest positions on that list. That display, which is, moreover, free of charge, means that the visibility to internet users of the goods or services of the proprietor of the trade mark is guaranteed, irrespective of whether or not that proprietor is successful in also securing the display, in one of the highest positions, of an ad under the heading 'sponsored links'.

98 Having regard to those facts, it must be concluded that use of a sign identical with another person's trade mark in a referencing service such as that at issue in the cases in the main proceedings is not liable to have an adverse effect on the advertising function of the trade mark.

d) Conclusion

99 In the light of the foregoing, the answer to the first question in Case C-236/08, the first question in Case C-237/08 and the first and second questions in Case C-238/08 is that:

– Article 5(1)(a) of Directive 89/104 and Article 9(1)(a) of Regulation No 40/94 must be interpreted as meaning that the proprietor of a trade mark is entitled to prohibit an advertiser from advertising, on the basis of a keyword identical with that trade mark which that advertiser has, without the consent of the proprietor, selected in connection with an internet referencing service, goods or services identical with those for which that mark is registered, in the case where that ad does not enable an average internet user, or enables that user only with difficulty, to ascertain whether the goods or services referred to therein originate from the proprietor of the trade mark or an undertaking economically connected to it or, on the contrary, originate from a third party;

– an internet referencing service provider which stores, as a keyword, a sign identical with a trade mark and organises the display of ads on the basis of that keyword does not use that sign within the meaning of Article 5(1) of Directive 89/104 or of Article 9(1)(a) and (b) of Regulation No 40/94.

3. The interpretation of Article 5(2) of Directive 89/104 and Article 9(1)(c) of Regulation No 40/94

100 By its second question in Case C-236/08, the Cour de cassation asks, in essence, whether an internet referencing service provider which stores, as a keyword, a sign corresponding to a reputable trade mark and organises the display of ads on the basis of that keyword uses that sign in a way which the proprietor of that mark is entitled to prohibit under Article 5(2) of Directive 89/104 or, in the case where that sign is identical with a reputable Community trade mark, under Article 9(1)(c) of Regulation No 40/94.

101 According to the findings of the Cour de cassation, it is established in this case that Google permitted advertisers offering to internet users imitations of Vuitton's goods to select keywords corresponding to Vuitton's trade marks, in combination with keywords such as 'imitation' and 'copy'.

102 The Court has already held, in the case of offers of imitations for sale, that, where a third party attempts, through the use of a sign which is identical with, or similar to, a reputable mark, to ride on the coat-tails of that mark in order to benefit from its power of attraction, its reputation and its prestige, and to exploit, without paying any financial compensation and without being required to make efforts of its own in that regard, the marketing effort expended by the proprietor of that mark in order to create and maintain the image of that mark, the advantage resulting from such use must be considered to be an advantage that has been unfairly taken of the distinctive character or the repute of that mark (L'Oréal and Others, paragraph 49).

103 That case-law is relevant in cases where advertisers on the internet offer for sale, through the use of signs identical with reputable trade marks such as 'Louis Vuitton' or 'Vuitton', goods which are imitations of the goods of the proprietor of those marks.

104 However, with regard to the question whether a referencing service provider, when it stores those signs, in combination with terms such as 'imitation' and 'copy', as keywords and permits the display of ads on the basis thereof, itself uses those signs in a way which the proprietor of those marks is entitled to prohibit, it must be borne in mind, as has been pointed out in paragraphs 55 to 57 of the present judgment, that those acts of the service provider do not constitute use for the purposes of Article 5 of Directive 89/104 and Article 9 of Regulation No 40/94.

105 Accordingly, the answer to the second question referred in Case C-236/08 is that an internet referencing service provider which stores, as a keyword, a sign identical with a reputable trade mark and arranges the

display of ads on the basis of that keyword does not use that sign within the meaning of Article 5(2) of Directive 89/104 or of Article 9(1)(c) of Regulation No 40/94.

B – The liability of the referencing service provider

106 By its third question in Case C-236/08, its second question in Case C-237/08 and its third question in Case C-238/08, the Cour de cassation asks, in essence, whether Article 14 of Directive 2000/31 is to be interpreted as meaning that an internet referencing service constitutes an information society service consisting in the storage of information supplied by the advertiser, with the result that that information is the subject of 'hosting' within the meaning of that article and that the referencing service provider therefore cannot be held liable prior to its being informed of the unlawful conduct of that advertiser.

107 Section 4 of Directive 2000/31, comprising Articles 12 to 15 and entitled 'Liability of intermediary service providers', seeks to restrict the situations in which intermediary service providers may be held liable pursuant to the applicable national law. It is therefore in the context of that national law that the conditions under which such liability arises must be sought, it being understood, however, that, by virtue of Section 4 of that directive, certain situations cannot give rise to liability on the part of intermediary service providers. Since the expiry of the period within which that directive had to be transposed, the rules of national law on the liability of such service providers must include the restrictions set out in those articles.

108 Vuitton, Viaticum and CNRRH submit, however, that a referencing service such as AdWords is not an information society service within the terms of those provisions of Directive 2000/31, with the result that the provider of such a service cannot under any circumstances avail itself of those restrictions on liability. Google and the Commission of the European Communities take the opposite view.

109 The restriction on liability set out in Article 14(1) of Directive 2000/31 applies to cases '[w]here an information society service is provided that consists of the storage of information provided by a recipient of the service' and means that the provider of such a service cannot be held liable for the data which it has stored at the request of a recipient of that service unless that service provider, after having become aware, because of information supplied by an injured party or otherwise, of the unlawful nature of those data or of activities of that recipient, fails to act expeditiously to remove or to disable access to those data.

110 As has been stated in paragraphs 14 and 15 of the present judgment, the legislature defined the concept of 'information society service' as covering services which are provided at a distance, by means of electronic equipment for the processing and storage of data, at the individual request of a recipient of services, and normally in return for remuneration. Regard being had to the characteristics, summarised in paragraph 23 of this judgment, of the referencing service at issue in the cases in the main proceedings, the conclusion must be that that service features all of the elements of that definition.

111 In addition, it cannot be disputed that a referencing service provider transmits information from the recipient of that service, namely the advertiser, over a communications network accessible to internet users and stores, that is to say, holds in memory on its server, certain data, such as the keywords selected by the advertiser, the advertising link and the accompanying commercial message, as well as the address of the advertiser's site.

112 In order for the storage by a referencing service provider to come within the scope of Article 14 of Directive 2000/31, it is further necessary that the conduct of that service provider should be limited to that of an 'intermediary service provider' within the meaning intended by the legislature in the context of Section 4 of that directive.

113 In that regard, it follows from recital 42 in the preamble to Directive 2000/31 that the exemptions from liability established in that directive cover only cases in which the activity of the information society service provider is 'of a mere technical, automatic and passive nature', which implies that that service provider 'has neither knowledge of nor control over the information which is transmitted or stored'.

114 Accordingly, in order to establish whether the liability of a referencing service provider may be limited under Article 14 of Directive 2000/31, it is necessary to examine whether the role played by that service provider is neutral, in the sense that its conduct is merely technical, automatic and passive, pointing to a lack of knowledge or control of the data which it stores.

115 With regard to the referencing service at issue in the cases in the main proceedings, it is apparent from the files and from the description in paragraph 23 et seq. of the present judgment that, with the help of software which it has developed, Google processes the data entered by advertisers and the resulting display of the ads is made under conditions which Google controls. Thus, Google determines the order of display according to, inter alia, the remuneration paid by the advertisers.

116 It must be pointed out that the mere facts that the referencing service is subject to payment, that Google sets the payment terms or that it provides general information to its clients cannot have the effect of depriving Google of the exemptions from liability provided for in Directive 2000/31.

117 Likewise, concordance between the keyword selected and the search term entered by an internet user is not sufficient of itself to justify the view that Google has knowledge of, or control over, the data entered into its system by advertisers and stored in memory on its server.

118 By contrast, in the context of the examination referred to in paragraph 114 of the present judgment, the role played by Google in the drafting of the commercial message which accompanies the advertising link or in the establishment or selection of keywords is relevant.

119 It is in the light of the foregoing considerations that the national court, which is best placed to be aware of the actual terms on which the service in the cases in the main proceedings is supplied, must assess whether the role thus played by Google corresponds to that described in paragraph 114 of the present judgment.

120 It follows that the answer to the third question in Case C-236/08, the second question in Case C-237/08 and the third question in Case C-238/08 is that Article 14 of Directive 2000/31 must be interpreted as meaning that the rule laid down therein applies to an internet referencing service provider in the case where that service provider has not played an active role of such a kind as to give it knowledge of, or control over, the data stored. If it has not played such a role, that service provider cannot be held liable for the data which it has stored at the request of an advertiser, unless, having obtained knowledge of the unlawful nature of those data or of that advertiser's activities, it failed to act expeditiously to remove or to disable access to the data concerned.

IV – Costs

121 Since these proceedings are, for the parties to the main proceedings, a step in the actions pending before the national court, the decisions on costs are 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 (Grand Chamber) hereby rules:

1. Article 5(1)(a) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks and Article 9(1)(a) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark must be interpreted as meaning that the proprietor of a trade mark is entitled to prohibit an advertiser from advertising, on the basis of a keyword identical with that trade mark which that advertiser has, without the consent of the proprietor, selected in connection with an internet referencing service, goods or services identical with those for which that mark is registered, in the case where that advertisement does not enable an average internet user, or enables that user only with difficulty, to ascertain whether the goods or services referred to therein originate from the proprietor of the trade mark or an undertaking economically connected to it or, on the contrary, originate from a third party.

2. An internet referencing service provider which stores, as a keyword, a sign identical with a trade mark and organises the display of advertisements on the basis of that keyword does not use that sign within the meaning of Article 5(1) and (2) of Directive 89/104 or of Article 9(1) of Regulation No 40/94.

3. Article 14 of 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 ('Directive on electronic commerce') must be interpreted as meaning that the rule laid down therein applies to an internet referencing service provider in the case where that service provider has not played an active role of such a kind as to give it knowledge of, or control over, the data stored. If it has not played such a role, that service provider cannot be held liable for the data which it has stored at the request of an advertiser, unless, having obtained knowledge of the unlawful nature of those data or of that advertiser's activities, it failed to act expeditiously to remove or to disable access to the data concerned.

OPINION OF ADVOCATE GENERAL POIARES MADURO

delivered on 22 September 2009 (1)
Joined Cases C-236/08, C-237/08 and C-238/08
Google France
Google Inc.
v
Louis Vuitton Malletier
Google France
v
Viaticum
Luteciel
Google France
v
CNRRH
Pierre-Alexis Thonet
Bruno Raboin
Tiger, a franchisee of Unicis
(References for a preliminary ruling from the Cour de cassation (France))

1. The act of typing a keyword into an internet search engine has become part of our culture, its results immediately familiar. The actual inner workings of how those results are provided are, it is fair to say, mostly unknown to the general public. It is simply assumed that if you ask, it shall be given to you; seek, and you shall find. (2)

2. In reality, for any given keyword typed into a search engine, that is to say, for any set of words entered, two types of results are usually provided: a range of sites relevant to the keyword ('natural results') and, alongside, advertisements for certain sites ('ads'). (3)

3. While natural results are provided on the basis of objective criteria, determined by the search engine, that is not the case with ads. Ads are provided because advertisers pay for their sites to feature in response to certain keywords; this is possible because the search engine provider makes those keywords available for selection by advertisers.

4. The present cases concern keywords which correspond to registered trade marks. More specifically, the proprietors of the trade marks (4) are trying to prevent the selection of such keywords by advertisers. They are also trying to prevent the display by search engine providers of ads in response to those keywords, as this may result in sites for rival or even counterfeit products being displayed alongside natural results for their own sites. The question, as put to the Court, is whether the use of a keyword which corresponds to a

trade mark can, in itself, be regarded as a use of that trade mark which is subject to the consent of its proprietor.

5. The answer will determine the extent to which keywords corresponding to trade marks can be used outside the control of the proprietors of the trade marks. To put it differently: when you enter a keyword which corresponds to a trade mark, what can be given and what can you find in cyberspace?

I – Factual and legal background

6. The present cases group together three references from the French Cour de cassation (Court of Cassation), all dealing with Google's advertisement system, 'AdWords'.

7. Both Community and French trade marks are involved, and so the references call for the interpretation of Directive 89/104, approximating the laws of the Member States relating to trade marks, (5) and Regulation No 40/94, on the Community trade mark. (6) An interpretation of Directive 2000/31, on information society services, (7) is also requested.

8. I shall start by describing how AdWords operates, in particular its interaction with Google's search engine, and the litigation that such advertising systems have generated in a number of Member States. I shall then sketch the background to each of the references and set out the questions referred. Finally, I shall mention the legal provisions at issue in the present cases.

A – Google's search engine, its advertising system 'AdWords', and related litigation in Member States

9. Google Inc. and Google France SARL (either collectively or individually, as 'Google') allow internet users free access to the Google search engine. On entering keywords into that search engine, internet users are presented with a list of natural results. These natural results are selected and ranked according to their relevance to the keywords. This is done through the automatic algorithms underlying the search engine program, which apply purely objective criteria.

10. Google also operates an advertisement system called 'AdWords', which enables ads to be displayed, alongside natural results, in response to keywords. Ads typically consist of a short commercial message and a link to the advertiser's site; they are differentiated from natural results by being presented, under the heading 'lien(s) commercial(aux)', either at the top of the page, against a yellow background, or on the right-hand side. (8) Google's main competitors (Microsoft and Yahoo!) operate similar advertising systems. (9)

11. Through AdWords, Google allows advertisers to select keywords so that their ads are displayed to internet users in response to the entry of those keywords in Google's search engine. (10) Every time an internet user subsequently clicks on the ad's link, Google is remunerated in accordance with a price agreed beforehand ('price per click'). There is no limit to the number of advertisers that can select a keyword, and if all the ads relating to that keyword cannot be displayed at the same time they will be ranked according to the price per click and by the number of times that internet users have previously clicked on the ad's link.

12. Google has set up an automated process for the selection of keywords and the creation of ads: advertisers type in the keywords, draft the commercial message, and input the link to their site. As part of this automated process, Google provides optional information on the number of searches on its search engine featuring the selected keywords, as well as related keywords, and the corresponding number of advertisers. Advertisers can then narrow down their selection of keywords in order to maximise the exposure of their ads.

13. Google supports its search engine, as well as a range of free applications, with its income from AdWords.

14. Advertising systems such as AdWords have been the subject of trade-mark-related litigation in several Member States. At issue has been the legality of the use of keywords which correspond to trade marks. Google has drawn attention to a number of rulings to the effect that this is legal (albeit on different grounds) in Austria, Belgium, Germany, Italy, the Netherlands and the United Kingdom.

15. In their observations, the parties mention only one Member State – France – where the legality of such advertisement systems is disputed, with the lower courts divided on the issue. It is from the French Cour de cassation, called upon to settle the issue, that the three references in the present cases originate.

B – The background to the references and the questions referred

16. Google has stated that, as a result of the uncertainty that the proceedings in the three references cases have cast over the legality of its actions in France, it has blocked the possibility of advertisers selecting keywords which correspond to some of the trade marks involved until the Court gives its answer to the questions referred.

i) Case C-236/08 ('the first reference')

17. The first reference arose in proceedings between Google and Louis Vuitton Malletier SA ('LV'). LV is the proprietor of the Community trade mark 'Vuitton' and the French national trade marks 'Louis Vuitton' and 'LV'; all those marks are considered to enjoy a certain reputation.

18. It has been established in those proceedings that entering LV's trade marks into Google's search engine triggered the display of ads for sites offering counterfeit versions of LV's products. It has also been established that Google offered advertisers the possibility of selecting, to that end, not only keywords which correspond to LV's trade marks, but also those keywords in combination with expressions denoting counterfeit such as 'imitation', 'replica' and 'copy'. (11)

19. Those facts led to Google being found guilty of trade mark infringement, a decision which was upheld on appeal. Google thereupon appealed on points of law to the Cour de cassation, which has referred three questions to the Court for a preliminary ruling.

20. The first question from the Cour de cassation concerns the possibility of an infringement of both Community and national trade marks consisting in al-

lowing the selection of keywords corresponding to those trade marks, and in advertising sites offering counterfeit products; the second question approaches that issue in the light of the special protection granted to trade marks which have a reputation; and the third question is concerned with the possible application of the liability exemption for hosting:

'(1) Must Article 5(1)(a) and (b) of [Directive 89/104] and Article 9(1)(a) and (b) of [Regulation No 40/94] be interpreted as meaning that a provider of a paid referencing service who makes available to advertisers keywords reproducing or imitating registered trade marks and arranges by the referencing agreement to create and favourably display, on the basis of those keywords, advertising links to sites offering infringing goods is using those trade marks in a manner which their proprietor is entitled to prevent?

(2) In the event that the trade marks have a reputation, may the proprietor oppose such use under Article 5(2) of the directive and Article 9(1)(c) of the regulation?

(3) In the event that such use does not constitute a use which may be prevented by the trade mark proprietor under the directive or the regulation, may the provider of the paid referencing service be regarded as providing an information society service consisting in the storage of information provided by the recipient of the service, within the meaning of Article 14 of [Directive 2000/31], so that that provider cannot incur liability until it has been notified by the trade mark proprietor of the unlawful use of the sign by the advertiser?'

ii) Case C-237/08 ('the second reference')

21. The second reference arose in the context of proceedings between Google, on the one hand, and Viaticum SA ('Viaticum') and Luteciel SARL ('Luteciel'), on the other. Viaticum and Luteciel are proprietors of the French trade marks 'bourse des vols', 'bourse des voyages' and 'BDV'.

22. It has been established in those proceedings that entering Viaticum and Luteciel's trade marks into Google's search engine triggered the display of ads for sites offering identical or similar products. It has also been established that Google offered advertisers the possibility of selecting for that purpose keywords which corresponded to those trade marks. However – and the facts differ on this point from those of the first reference – the products sold on the advertised sites did not infringe the trade marks in question: throughout the proceedings, they have been attributed to competitors of Viaticum and Luteciel.

23. Nevertheless, this factual difference did not prevent Google also being found guilty of trade mark infringement and, on appeal, of being an accessory to trade mark infringement. Google thereupon appealed on points of law to the Cour de cassation, which has referred two questions to the Court for a preliminary ruling.

24. The first question from the Cour de cassation concerns the possibility of a trade mark infringement consisting in allowing the selection of keywords which corresponded to those trade marks, and in advertising sites offering identical or similar products; the second question concerns the possible application of the liability exemption for hosting (as did the third question in the first reference):

'(1) Must Article 5(1)(a) and (b) of [Directive 89/104] be interpreted as meaning that a provider of a paid referencing service who makes available to advertisers keywords reproducing or imitating registered trade marks and arranges by the referencing agreement to create and favourably display, on the basis of those keywords, advertising links to sites offering goods identical or similar to those covered by the trade mark registration is using those trade marks in a manner which their proprietor is entitled to prevent?

(2) In the event that such use does not constitute a use which may be prevented by the trade mark proprietor under the directive or [Regulation No 40/94], may the provider of the paid referencing service be regarded as providing an information society service consisting in the storage of information provided by the recipient of the service, within the meaning of Article 14 of [Directive 2000/31], so that that provider cannot incur liability before it has been informed by the trade mark proprietor of the unlawful use of the sign by the advertiser?'

iii) Case C-238/08 ('the third reference')

25. The third reference arose in the context of proceedings between, on the one hand, Google, Mr Raboin and Tiger SARL ('Tiger'), and, on the other, Mr Thonet and Centre national de recherche en relations humaines SARL ('CNRRH'). CNRRH is the holder of a licence for the French trade mark 'Eurochallenges', granted by Mr Thonet, the proprietor of that trade mark.

26. It has been established in those proceedings that entering 'Eurochallenges' into Google's search engine triggered the display of ads for sites offering identical or similar products. It has also been established that Google offered advertisers the possibility of selecting such a term as a keyword for that purpose. As in the second reference, the products offered on those sites did not infringe that trade mark and have been attributed to competitors.

27. Google, Mr Raboin and Tiger were found guilty of trade mark infringement, a decision which was upheld on appeal. Google and Tiger thereupon filed separate appeals before the Cour de cassation, which has referred three questions to the Court for a preliminary ruling.

28. The first question from the Cour de cassation concerns the possibility of a trade mark infringement consisting in the act of selecting for advertising purposes a keyword which corresponds to the trade mark; the second question also concerns a possible trade mark infringement, but this time consisting in allowing that selection and in advertising sites offering identical or similar products (like the first question in the second reference); the third question concerns the possible application of the liability exemption for hosting (as did

the last question in both the first and second references):

‘(1) Does the reservation by an economic operator, by means of an agreement on paid internet referencing, of a keyword triggering, in the case of a request using that word, the display of a link proposing connection to a site operated by that operator in order to offer for sale goods or services, and reproducing or imitating a trade mark registered by a third party in order to designate identical or similar goods, without the authorisation of the proprietor of that trade mark, constitute in itself an infringement of the exclusive right guaranteed to the latter by Article 5 of [Directive 89/104]?

(2) Must Article 5(1)(a) and (b) of [Directive 89/104] be interpreted as meaning that a provider of a paid referencing service who makes available to advertisers keywords reproducing or imitating registered trade marks and arranges by the referencing agreement to create and favourably display, on the basis of those keywords, advertising links to sites offering goods identical or similar to those covered by the trade mark registration is using those trade marks in a manner which their proprietor is entitled to prevent?

(3) In the event that such use does not constitute a use which may be prevented by the trade mark proprietor under the directive or [Regulation No 40/94], may the provider of the paid referencing service be regarded as providing an information society service consisting in the storage of information provided by the recipient of the service, within the meaning of Article 14 of [Directive 2000/31], so that that provider cannot incur liability before it has been informed by the trade mark proprietor of the unlawful use of the sign by the advertiser?’

C – Legal provisions at issue

29. The sixth recital in the preamble to Directive 89/104 states that:

‘… this Directive does not exclude the application to trade marks of provisions of law of the Member States other than trade mark law, such as the provisions relating to unfair competition, civil liability or consumer protection’.

30. Article 5(1) of Directive 89/104 is mentioned in all the references, and it defines what constitutes a trade mark infringement:

‘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.’

31. Article 5(2) of Directive 89/104 deals with the special protection that may be granted to trade marks which have a reputation:

‘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.’

32. Article 5(3) of Directive 89/104 specifies, by way of example, some of the uses which can constitute a trade mark infringement:

‘The following, inter alia, may be prohibited under paragraphs l and 2:

…

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

33. Paragraphs 1 and 2 of Article 9 of Regulation No 40/94 are the equivalent, as regards Community trade marks, of Article 5 of Directive 89/104:

‘1. A Community 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 Community trade mark in relation to goods or services which are identical with those for which the Community trade mark is registered;

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

(c) any sign which is identical with or similar to the Community trade mark in relation to goods or services which are not similar to those for which the Community trade mark is registered, where the latter has a reputation in the Community 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 Community trade mark.

2. The following, inter alia, may be prohibited under paragraph 1:

…

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

34. Article 14 of Directive 2000/31, another provision which is mentioned in all the references, establishes a liability exemption for hosting activities:

‘1. Where an information society service is provided that consists of the storage of information provided by a recipient of the service, Member States shall ensure that the service provider is not liable for the information stored at the request of a recipient of the service, on condition that:

(a) the provider does not have actual knowledge of illegal activity or information and, as regards claims for

damages, is not aware of facts or circumstances from which the illegal activity or information is apparent; or

(b) the provider, upon obtaining such knowledge or awareness, acts expeditiously to remove or to disable access to the information.

…

3. This Article shall not affect the possibility for a court or administrative authority, in accordance with Member States' legal systems, of requiring the service provider to terminate or prevent an infringement, nor does it affect the possibility for Member States of establishing procedures governing the removal or disabling of access to information.'

35. Point (a) of Article 2 of Directive 2000/31 defines 'information society services' by reference to Article 1(2) of Directive 98/34, (12) as amended by Directive 98/48, (13) and accordingly as:

'any service normally provided for remuneration, at a distance, by electronic means and at the individual request of a recipient of services'.

Article 1(2) of Directive 98/34 (as amended by Directive 98/48) goes on to state:

'For the purposes of this definition:

– "at a distance" means that the service is provided without the parties being simultaneously present,

– "by electronic means" means that the service is sent initially and received at its destination by means of electronic equipment for the processing (including digital compression) and storage of data, and entirely transmitted, conveyed and received by wire, by radio, by optical means or by other electromagnetic means,

– "at the individual request of a recipient of services" means that the service is provided through the transmission of data on individual request.'

36. Article 15 of Directive 2000/31 establishes that information society service providers need not monitor the information that they transmit or store:

'1. Member States shall not impose a general obligation on providers, when providing the services covered by Articles 12, 13 and 14, to monitor the information which they transmit or store, nor a general obligation actively to seek facts or circumstances indicating illegal activity.

2. Member States may establish obligations for information society service providers promptly to inform the competent public authorities of alleged illegal activities undertaken or information provided by recipients of their service or obligations to communicate to the competent authorities, at their request, information enabling the identification of recipients of their service with whom they have storage agreements.'

37. Article 21 of Directive 2000/31 makes provision regarding the reports to be submitted by the Commission on the application of the directive:

'1. Before 17 July 2003, and thereafter every two years, the Commission shall submit to the European Parliament, the Council and the Economic and Social Committee a report on the application of this Directive, accompanied, where necessary, by proposals for adapting it to legal, technical and economic developments in the field of information society services, in particular with respect to crime prevention, the protection of minors, consumer protection and to the proper functioning of the internal market.

2. In examining the need for an adaptation of this Directive, the report shall in particular analyse the need for proposals concerning the liability of providers of hyperlinks and location tool services, "notice and take-down" procedures and the attribution of liability following the taking-down of content. The report shall also analyse the need for additional conditions for the exemption from liability, provided for in Articles 12 and 13, in the light of technical developments, and the possibility of applying the internal market principles to unsolicited commercial communications by electronic mail.'

II – Assessment

38. The three references from the Cour de cassation all pose the same basic question: does the use by Google, in its AdWords advertising system, of keywords corresponding to trade marks constitute an infringement of those trade marks? Although the references are formulated somewhat differently, they all ask for an interpretation of Article 5(1) of Directive 89/104 and therefore concern that basic question of whether Google has committed a trade mark infringement.

39. Google has argued that there is no use of the trade marks involved, since keywords do not constitute a sign representing them. If that argument were to be accepted, the question of an infringement would not even arise. However, the present cases are far from being that simple. It is true that keywords do not correspond to the classic notion of signs: they are not affixed to goods, nor do undertakings conduct their business activity under them. However, none of those factors is decisive for the purposes of determining whether certain activities are to be construed as use of a trade mark.

40. There is use of a trade mark where the trade mark is represented, most notably where a sign is used which is identical or similar to that trade mark. (14) Keywords which correspond to trade marks can also be said to represent those marks. In the present cases, therefore, and contrary to Google's assertion, there is a use of the trade marks concerned. The question whether that use relates to goods or services – another point which Google disputes – further involves assessing one of the conditions for finding that this use constitutes a trade mark infringement. (15)

41. Before those conditions are examined, the differences between the three references from the Cour de cassation must be dealt with in order to understand the scope of the possible infringements at issue.

42. All three references concern the use by Google of keywords corresponding to trade marks; however, the third reference extends the question of a trade mark infringement to the use by advertisers, questioning whether their selection of those keywords constitutes in itself such an infringement (the first question). I shall leave that question until last, when the answer regarding the use by Google will already be clear.

43. The first reference has a number of special features. First, it involves both national trade marks and Community trade marks; accordingly, an interpretation is sought, not only of Directive 89/104, but also of Regulation No 40/94 (the first question). However, the conditions for a trade mark infringement are the same under both Directive 89/104 and Regulation No 40/94, and so my answer to the question whether there is such an infringement will be the same in both cases. (16)

44. The first reference also asks for an interpretation of the provisions in both those legislative acts concerning trade marks which have a reputation (the second question). In my treatment of the question whether there is an infringement, I shall therefore also consider the special protection granted to those trade marks.

45. Finally, the first reference has attracted particular attention, since its facts involve 'counterfeit sites', that is to say, sites offering counterfeit products (the first question). The other references, by contrast, concern 'competitor sites', which offer products that do not infringe any trade marks. The trade mark proprietors, supported by France, have singled out the possibility of counterfeit sites making use of AdWords – as happened according to the facts of the first reference – as a telling example of why keywords should be subject to their control. This leads me to make some important distinctions.

46. All the references concern the use in AdWords of keywords which correspond to trade marks; this use, as described, consists in the selection of those words so that ads are presented as results and in the display of ads alongside the natural results provided for those words. The references do not concern the use of trade marks on the advertisers' sites, or the products sold on those sites; nor do they concern the use of trade marks in the text of the ads displayed. (17) Those are all independent uses, and the legality of each must be assessed on its own terms. (18) In the present cases, the Court is called upon only to assess the legality of the use of keywords.

47. The trade mark proprietors claim that, although distinct, all those uses are somehow connected: if, for example, there is an infringing use on a site selling counterfeit goods, any use in AdWords relating to that site would be affected and could be prevented by the trade mark proprietor. Otherwise AdWords would, in fact, be facilitating the infringement committed on that site. Although, as will be seen, the trade mark proprietors' claim is not limited to that example, it figures prominently in their line of reasoning because of its suggestive power.

48. The goal of trade mark proprietors is to extend the scope of trade mark protection to cover actions by a party that may contribute to a trade mark infringement by a third party. This is usually known in the United States as 'contributory infringement', (19) but to my knowledge such an approach is foreign to trade mark protection in Europe, where the matter is normally addressed through the laws on liability. (20)

49. The trade mark proprietors are urging the Court to go even further: to rule, in effect, that the mere possibility that a system – in the present cases, AdWords – may be used by a third party to infringe a trade mark means that such a system is, itself, in infringement. Indeed, the trade mark proprietors do not wish to limit their claims to cases where AdWords is actually used by sites offering counterfeit goods; they want to nip that possibility in the bud by preventing Google from being able to make keywords corresponding to their trade marks available for selection. From the existence of a risk that AdWords may be used to promote those counterfeit sites, they deduce a general right to prevent the use of their trade marks as keywords. If the infringement lies in the use of those keywords in AdWords, as the trade mark proprietors claim, that is so whether or not the sites displayed in response actually infringe the trade mark.

50. The Court is thus being asked to expand significantly the scope of trade mark protection. I shall make clear why I believe that it ought not to do so. My examination of the question whether there is trade mark infringement will reveal, first, that the use in AdWords of keywords which correspond to trade marks does not, in itself, constitute a trade mark infringement, and, secondly, that the connection with other (potentially infringing) uses is better addressed, as it has been hitherto, through the rules on liability.

51. I shall therefore have to address the subsidiary question posed by all the references in the event that no trade mark infringement be found: is Google's activity, in AdWords, covered by the liability exemption for hosting provided for in Directive 2000/31?

52. The parties are divided as to the meaning of that subsidiary question, some understanding it as concerning a possible exemption for Google from trade mark infringements. The Cour de cassation, however, has expressly formulated that question in such a way that it applies only if such infringement is not found. In my view, the Cour de cassation has done so because, if it is possible for trade mark proprietors to prevent AdWords from using keywords which correspond to their trade marks, the case before it will effectively be resolved. If, however, the Court rules that there is no infringement and AdWords is allowed to continue with its current modus operandi, it will still be necessary to address the question of Google's possible liability for the content featured in AdWords. That is why the liability exemption for hosting may be relevant to the present cases.

53. Accordingly, I shall proceed in the present cases by dealing first with (A) the basic question of whether the use by Google, in AdWords, of keywords which correspond to trade marks constitutes a trade mark infringement; then with (B) the subsidiary question of whether the liability exemption for hosting applies to the content featured by Google in AdWords; and, lastly, with (C) the remaining question of whether the use by advertisers, in AdWords, of keywords which correspond to trade marks constitutes a trade mark infringement.

A – The first question in the first and second references, and the second question in the first and third references: whether trade mark proprietors

can prevent the use by Google, in AdWords, of keywords which correspond to their trade marks

54. According to established case-law, there are four cumulative conditions which must be satisfied if trade mark proprietors are to be able to prevent the use of their trade marks under Article 5(1) of Directive 89/104 (or, in other words, for there to be a trade mark infringement). One of those conditions is clearly satisfied: the use by Google, in AdWords, of keywords which correspond to trade marks is manifestly not consented to by the trade mark proprietors. It therefore remains to be ascertained whether the remaining three conditions are satisfied, that is to say, whether: (i) that use takes place in the course of trade; (ii) it relates to goods or services which are identical or similar to those covered by the trade marks; and (iii) it affects or is liable to affect the essential function of the trade mark – which is to guarantee to consumers the origin of the goods or services – by reason of a likelihood of confusion on the part of the public. (21)

55. Before going on to examine these conditions, I must be more precise as to the number of uses by Google. I have so far been referring to 'the use', in AdWords, of keywords which correspond to trade marks. In reality, not one but two uses are involved: (a) when Google allows advertisers to select the keywords (this use being somewhat internal to the operation of AdWords), (22) so that ads for their sites are presented as results for searches involving those keywords; and (b) when Google displays such ads, alongside the natural results displayed in response to those keywords. I shall therefore examine in separate sections whether each use fulfils the above conditions.

56. Those two uses are closely, if not inextricably, linked: it is the fact that the selection of certain keywords is allowed which makes it possible for the ads to be displayed in immediate response to those keywords. Despite this connection, they constitute different uses. They happen at different times: use (a) when advertisers engage in the procedure of selecting keywords and use (b) when internet users are presented with a display of the results of their searches. They have different targets: in the case of use (a), the targets are advertisers that wish to make use of AdWords; in the case of use (b), they are internet users who use Google's search engine. And, lastly, they concern different goods or services: use (a) concerns Google's own service, AdWords, and use (b) concerns the goods and services offered on the advertised sites.

57. The existence of two different uses, even if not clearly distinguished, is apparent from the questions referred. The questions from the Cour de cassation directed at Google mention 'a provider of a paid referencing service who makes available to advertisers keywords reproducing or imitating registered trade marks and arranges by the referencing agreement to create and favourably display, on the basis of those keywords, advertising links to sites' (emphasis added).

58. If those two uses appear to be collapsed into a single use, it is, in my view, because the real intention of the trade mark proprietors is to establish some form of 'contributory infringement'. As stated above, the present cases will require the Court to decide whether trade mark protection should be so extended. This aspect will be addressed in greater detail below in Section (d), in which I shall analyse whether Google's possible contribution, through AdWords, to trade mark infringements by third parties constitutes in itself a trade mark infringement. For the time being, however, I shall not depart from the well-established case-law of the Court and shall analyse each of those two uses separately.

59. I shall also address below in Section (c) whether Google's use of keywords which correspond to trade marks affects other functions of the trade mark besides its essential function of guaranteeing the origin of the goods and services. As has been mentioned, the affecting of that essential function is one of the conditions for a trade mark infringement. However, the Court has added to that established case-law by stating that, even if that condition is not satisfied, there may be an infringement under Article 5(1)(a) of Directive 89/104 if other functions of the trade mark are affected. (23) As I shall explain, those other functions play a role in the protection afforded both under Article 5(1) and under Article 5(2) of that directive. Accordingly, the second question in the first reference, which concerns the special protection granted to trade marks which have a reputation, will also be addressed in this section.

a) The use by Google consisting in allowing advertisers to select in AdWords keywords which correspond to trade marks, so that ads for their sites are presented as results for searches involving those keywords

i) Whether the use takes place within the course of trade

60. The aim underlying this condition for a trade mark infringement is to distinguish between a private use and a 'commercial activity with a view to a gain'; (24) the trade mark proprietor is only entitled to prevent the latter.

61. When Google offers advertisers, through AdWords, the possibility of selecting keywords which correspond to trade marks, it does so as a commercial activity: even though its remuneration does not come about until later (when internet users click on the ad's link), Google's service is provided 'with a view to a gain'. This condition should therefore be regarded as satisfied.

ii) Whether the use is made in relation to goods or services which are identical or similar to those covered by the trade marks

62. This condition for a trade mark infringement, by employing the broad formulation of 'use made in relation to goods or services', means that the trade mark proprietor is entitled to prevent many uses beyond the simple affixing of the trade mark to the good. Nevertheless, in order to satisfy this condition, the use must entail a link to goods or services which are identical or similar to those covered by the trade mark.

63. Article 5(3) of Directive 89/104 provides a non-exhaustive list of the types of use which may be pre-

vented. The trade mark proprietors have construed the inclusion in Article 5(3) of the use 'in advertising' as confirmation that they are entitled to prevent all the activities carried out by Google through AdWords. Google argues that its activities do not correspond to a use 'in advertising', as the keywords form no part of the ads themselves.

64. To my mind, the reference in Article 5(3) of Directive 89/104 to a use 'in advertising' is intended to cover the more traditional occurrence of the trade mark being used in the ad itself. Such a use may indeed occur in the ads displayed through AdWords, but, as was mentioned above, the Court is not being asked about the text of such ads; it is being asked only about the keywords. The artificial categorisation of all Google's activities in AdWords as uses 'in advertising' would obscure what this condition seeks to determine: to which goods or services each use relates. This, of course, may vary according to the use.

65. What is relevant, therefore, is the concept of 'use made in relation to goods or services' – it should be remembered that use 'in advertising' is only an illustration of this. The Court has rightly focused on this concept, by clarifying that the present condition is satisfied when a sign corresponding to a trade mark is used 'in such a way that a link is established between the sign … and the goods marketed or the services provided'. (25)

66. The essential factor is therefore the link that is established between the trade mark and the good or service being sold. In the traditional example of a use in advertising, the link is established between the trade mark and the good or service sold to the general public. This happens, for example, when the advertiser sells a good under the trade mark. That is not the case with the use by Google consisting in allowing advertisers to select keywords so that their ads are presented as results. There is no good or service sold to the general public. The use is limited to a selection procedure which is internal to AdWords and concerns only Google and the advertisers. (26) The service being sold, and to which the use of the keywords corresponding to the trade marks is linked, is therefore Google's own service, AdWords.

67. It seems evident that AdWords is not identical or similar to any of the goods or services covered by the trade marks. Accordingly, this condition is not satisfied and, in consequence, the use consisting in allowing advertisers to select in AdWords keywords which correspond to trade marks, so that ads for their sites are presented as results for searches involving those keywords, does not constitute a trade mark infringement.

iii) Whether the use affects or is liable to affect the essential function of the trade mark, by reason of a likelihood of confusion on the part of the public

68. The fact that Google's use of the trade marks for the purposes necessary to the functioning of AdWords is not made in relation to goods or services identical or similar to those covered by those trade marks, and therefore does not satisfy the preceding condition, makes it unnecessary to analyse in detail this condition. First and foremost, it should be borne in mind that the four conditions for finding a trade mark infringement are cumulative. (27)

69. Moreover, in cases where the preceding condition is not met, it is unlikely that the essential function of the trade mark – to guarantee to consumers the origin of the goods or services – will have been affected or will stand in danger of being affected. (28) Since the use by Google does not involve identical or similar goods or services, in principle there can be no risk of confusion on the part of consumers. Thus, in any event, this condition is not satisfied either.

b) The use consisting in Google displaying ads, through AdWords, alongside the natural results displayed in response to the keywords which correspond to trade marks

70. Before analysing whether this use constitutes a trade mark infringement, it is important to address the possible implications of the present cases for Google's search engine.

71. At issue is the display of ads triggered by the use of keywords corresponding to trade marks. However, in the event that such use is held to constitute a trade mark infringement, it may be difficult to prevent that ruling from also applying to the use of keywords in Google's search engine. Despite the fact that the questions referred are confined to AdWords, the parties' pleadings show that they are aware of this risk. They are right that Google's current activity through AdWords is distinguishable from its activity as a provider of a search engine. That said, there is no substantial difference between the use that Google, itself, makes of the keywords in its search engine and the use that it makes of them in AdWords: it displays certain content in response to those keywords.

72. It is true that, by associating ads with certain keywords through AdWords, Google provides the advertisers' sites with added exposure. However, it should be remembered that such sites, even the counterfeit ones, could feature among the natural results of the same keywords (depending on their relevance as detected by the search engine's automatic algorithms). It should also be remembered that ads and natural results have very similar characteristics: a short message and a link. Accordingly, the difference between ads and natural results lies not so much in whether or not ads provide exposure, but more in the degree of such exposure. I have doubts as to whether, for the purposes of trade mark protection, that difference in degree will be sufficient to distinguish between the display of ads, on the one hand, and of natural results, on the other, both being provided in response to the same keywords.

73. In particular, I find it difficult to argue for such a distinction on the basis of the Court's conditions for finding a trade mark infringement, which do not depend on the type of activity so long as the use takes place in the course of trade. Nevertheless, I would like to make clear that this difficulty is not enough, per se, to exclude the possibility of a trade mark infringement in the present cases. My reason for calling the attention of the Court to this issue is to highlight all the possible

consequences of the present cases. If the Court holds that the display by Google of sites in response to certain keywords constitutes a trade mark infringement, it may be difficult to distinguish between the situation involving AdWords and the situation involving Google's search engine.

74. In order to demonstrate the risk of 'overlap' between the two, I shall compare the application of the conditions for a trade mark infringement to the display, in response to keywords corresponding to trade marks, of ads and natural results, respectively. This comparison, moreover, will prove useful in assessing the risk of confusion involved.

i) Whether the use takes place in the course of trade

75. As was mentioned above, this condition is satisfied whenever the use is made as a 'commercial activity with a view to a gain'. (29)

76. That is the case with the display of ads by Google: when internet users click on those ads' links, it is paid by the advertisers. This condition should therefore be regarded as satisfied.

77. In comparison, the display of natural results in response to the same keywords is also made with 'a view to a gain'. Natural results are not provided out of charity: they are provided because, as was mentioned above, AdWords operates within the same context by offering some sites added exposure. The value of this exposure depends on the use of the search engine by internet users. Even though Google gets nothing directly from this use, it obviously lies at the root of the income that Google obtains from AdWords, which in turn allows it to support its search engine. As such, the display of natural results in Google's search engine also satisfies this condition.

ii) Whether the use is made in relation to goods or services which are identical or similar to those covered by the trade marks

78. As has been pointed out, this condition depends on establishing a link between the use of the trade mark and the goods marketed or services provided. (30)

79. That is what Google does under AdWords: by displaying ads in response to the keywords which correspond to trade marks, it establishes a link between those keywords and the sites advertised, including the goods or services sold via those sites. Even though the keywords do not feature in the ads themselves, this use falls under the notion of use 'in advertising' as referred to in Article 5(3)(d) of Directive 89/104: the link established is between the trade mark and the goods or services advertised. The sites concerned sell goods which are identical or similar to those covered by the trade mark (including counterfeit products). This condition should therefore be regarded as satisfied.

80. The very same link is established between keywords which correspond to trade marks, and the sites displayed as natural results. It could be argued that the link is different because ads and natural results are presented differently. However, that is not the case: both are composed of a short message and a link to a site. AdWords purposely emulates Google's search engine, because the function of the search engine is precisely to establish a link between keywords and sites.

81. It could also be contended that, since Google gets nothing for displaying natural results, or since site owners do not influence the content of the accompanying short message, this does not constitute a use 'in advertising' within the meaning of Article 5(3)(d) of Directive 89/104. There is no need to address this issue: (31) a link is established between the keywords and the goods or services sold via the sites displayed as natural results, and that is enough for the display of natural results to satisfy this condition.

iii) Whether the use affects or is liable to affect the essential function of the trade mark, by reason of a likelihood of confusion on the part of the public

82. As was mentioned above, this condition involves assessing whether there is a risk of confusion by consumers as to the origin of the goods or services. (32)

83. It is useful to recall that the Court is being asked only about the use of keywords which correspond to trade marks; it is not being asked about the use of the trade marks in ads, or in the products sold via the sites advertised. Either of those last-mentioned uses by third parties may lead to confusion and constitute, in itself, an infringement. However, that would only affect the use of keywords by Google if a 'contributory infringement' doctrine were accepted: Google's use would constitute an infringement solely on the basis of its contribution to an infringement by a third party. As indicated above, this possibility will be analysed separately. For the time being, I shall concentrate on the possible risk of confusion stemming from the use of the keywords for the display of ads, regardless of the character of those ads and the sites involved.

84. As has been pointed out, the display of ads establishes a link between the keywords corresponding to the trade mark and the sites advertised. The question is whether that link may lead consumers to confuse the origin of the goods or services offered on those sites – even before the content of those sites is taken into account. In order for such a risk to exist, consumers would have to assume, from the mere fact that certain sites are associated with such keywords, that those sites originate 'from the same undertaking [as the trade mark proprietors] or, as the case may be, from economically linked undertakings'. (33)

85. Such a risk of confusion cannot be presumed; it must be positively established. (34) The question whether there is a risk of confusion is usually left to the referring court, as it may involve complex factual assessments. (35) None the less, the parties have urged the Court to determine that risk, namely whether internet users 'confuse' ads with natural results. (36) Even if the Court were in a position to make this particular factual assessment, I believe it would serve no purpose – indeed, the question itself is misleading.

86. By comparing ads with natural results, the parties assume that natural results are a proxy for 'true' results – that is to say, that they originate from the trade mark proprietors themselves. But they do not. Like the ads displayed, natural results are just information that

Google, on the basis of certain criteria, displays in response to the keywords. Many of the sites displayed do not in fact correspond to the sites of the trade mark proprietors.

87. The parties are influenced by the belief to which I referred at the outset – that if an internet user seeks something in Google's search engine, the internet user will find it. However, that is not a blind belief; internet users are aware that they will have to sift through the natural results of their searches, which often reach large numbers. They may expect that some of those natural results will correspond to the site of the trade mark proprietor (or an economically linked undertaking), but they will certainly not believe this of all natural results. Moreover, sometimes they may not even be looking for the site of the trade mark proprietor, but for other sites related to the goods or services sold under the trade mark: for example, they might not be interested in purchasing the trade mark proprietor's goods but only in having access to sites reviewing those goods.

88. Google's search engine provides help in sifting through natural results by ranking them according to their relevance to the keywords used. There may be an expectation on the part of internet users, based on their assessment of the quality of Google's search engine, that the more relevant results will include the site of the trade mark proprietor or whatever site they are looking for. However, this is nothing more than an expectation. Confirmation only comes when the site's link appears, its description is read, and the link is clicked on. Often the expectation will be disappointed, and internet users will go back and try out the next relevant result.

89. Google's search engine is no more than a tool: the link that it establishes between keywords corresponding to trade marks and natural results, even the more relevant sites, is not enough to lead to confusion. Internet users only decide on the origin of the goods or services offered on the sites by reading their description and, ultimately, by leaving Google and entering those sites.

90. Internet users process ads in the same way as they process natural results. By using AdWords, advertisers are in fact attempting to make their ads benefit from the same expectation of being relevant to the search – that is why they are displayed alongside the more relevant natural results. However, even assuming that the internet users are searching for the site of the trade mark proprietor, there is no risk of confusion if they are also presented with ads.

91. As with natural results, internet users will only make an assessment as to the origin of the goods or services advertised on the basis of the content of the ad and by visiting the advertised sites; no assessment will be based solely on the fact that the ads are displayed in response to keywords corresponding to trade marks. The risk of confusion lies in the ad and in the advertised sites, but, as has already been pointed out, the Court is not being asked about such uses by third parties: it is being asked only about the use by Google of keywords which correspond to trade marks.

92. It must be concluded, therefore, that neither the display of ads nor the display of natural results in response to keywords which correspond to trade marks leads to a risk of confusion as to the origin of goods and services. Accordingly, neither AdWords nor Google's search engine affects or is in danger of affecting the essential function of the trade mark.

c) Whether Google's uses of keywords which correspond to trade marks affect other functions of the trade mark besides its essential function, in particular whether they take unfair advantage of, or are detrimental to, the distinctive character or the repute of the trade marks

93. Trade marks which have a reputation enjoy special protection as compared with ordinary trade marks: their use can be prevented not only in relation to identical or similar goods or services, but also in relation to any good or service that takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark. (37)

94. The Court has confirmed that this special protection for trade marks which have a reputation does not depend on there being a risk of confusion on the part of consumers. (38) Accordingly, such special protection is independent of the essential function of the trade mark of guaranteeing the origin of the goods or services, and relates to other functions of the trade mark.

95. The Court has stated that such other functions of the trade mark include guaranteeing the quality of goods or services and those of communication, investment or advertising; it has also stated that such functions are not limited to trade marks which have a reputation but apply in the case of all trade marks. (39)

96. In that context, the Court made two important clarifications. First, it confirmed that, alongside the aim of preventing consumers from being misled, trade marks also serve to promote innovation and commercial investment. A trade mark protects the investment that the trade mark proprietor has made in the good or service associated with it and, in so doing, creates economic incentives for further innovation and investment. The other functions of the trade mark, as named by the Court, relate to that promotion of innovation and investment.

97. As a second clarification, the Court defined a sliding scale for the protection of this innovation and investment. No such scale exists as regards preventing consumers from being misled: whenever there is a risk of confusion, there will always be a trade mark infringement. (40) Beyond the risk of confusion, the conditions for finding an infringement vary.

98. At the top of the scale is the special protection granted under Article 5(2) of Directive 89/104 to trade marks which have a reputation. The 'marketing effort expended by the proprietor of [the] trade mark in order to create and maintain the image of that mark' enables it to prevent a wide range of associations, from the negative associations that may harm the trade mark's repute or distinctive character, to the positive associations that take advantage of the proprietor's investment. (41)

99. At the middle of the scale is the protection granted under Article 5(1)(a) of Directive 89/104 as regards goods or services which are identical to those of the trade mark. It was in regard to identical goods or services that the Court stated that the trade mark proprietor can prevent uses that affect the functions of 'guaranteeing the quality of the goods or services in question and those of communication, investment or advertising'. (42)

100. At the bottom of the scale is the protection granted under Article 5(1)(b) of Directive 89/104 as regards goods or services which are similar to those of the trade mark. This protection, the Court has stated, is not the same as the protection under Article 5(1)(a): since mere similarity between goods or services is at issue, 'the likelihood of confusion constitutes the specific condition for such protection'. (43) Accordingly, the other functions of the trade mark can be affected only in very specific cases, yet to be defined by the Court.

101. All these types of protection – whatever their positions on the sliding scale – are linked to the promotion of innovation and investment. The range of associations which may be prevented varies according to what is deemed legitimate in the light of that innovation and investment: more protection for trade marks which have a reputation than for ordinary trade marks, and more protection as regards identical goods or services than as regards similar goods or services. (44)

102. Nevertheless, whatever the protection afforded to innovation and investment, it is never absolute. It must always be balanced against other interests, in the same way as trade mark protection itself is balanced against them. I believe that the present cases call for such a balance as regards freedom of expression and freedom of commerce. (45)

103. Those freedoms are particularly important in this context because the promotion of innovation and investment also requires competition and open access to ideas, words and signs. That promotion is always the product of a balance that has been struck between incentives, in the form of private goods given to those who innovate and invest, and the public character of the goods necessary to support and sustain the innovation and investment. That balance is at the heart of trade mark protection. Accordingly, despite being linked to the interests of the trade mark proprietor, trade mark rights cannot be construed as classic property rights enabling the trade mark proprietor to exclude any other use. (46) The transformation of certain expressions and signs – inherently public goods – into private goods is a product of the law and is limited to the legitimate interests that the law deems worthy of protection. It is for this reason that only certain uses may be prevented by the trade mark proprietor, while many others must be accepted. (47)

104. One of the uses which must be accepted is use for purely descriptive purposes. The Court has stated that the use of a trade mark to describe the characteristics of goods or services cannot, if it clearly states the origin of the goods or services involved, be prevented by the trade mark proprietor. (48) In so stating, the Court made it clear that uses for purely descriptive purposes 'do not affect any of the interests which [Article 5(1) of Directive 89/104] aims to protect'; (49) this includes, by definition, those functions of the trade mark which are related to innovation and investment. (50) Accordingly, uses for purely descriptive purposes are permissible even when they involve trade marks which have a reputation. (51)

105. Another such situation is comparative advertising, as defined in Directive 84/450, (52) which allows undertakings to use signs identical to competitors' trade marks for the purposes of comparing their goods and services. (53) By their very nature, comparative advertisements take advantage of previous innovation and investment on the part of trade mark proprietors in order to promote competing products. The fact that this is permissible demonstrates the importance of freedom of expression and freedom of commerce, which stimulate competition and benefit consumers. (54) Thus, even the investment represented by trade marks which have a reputation is not immune to such advertising. (55)

106. The question raised by the present cases is whether freedom of expression and freedom of commerce should also take precedence over the interests of the trade mark proprietors in the context of Google's uses of keywords which correspond to trade marks. Those uses are not purely descriptive; (56) nor do they constitute comparative advertising. However, in a manner comparable to such situations, AdWords creates a link to the trade mark for consumers to obtain information that does not involve a risk of confusion. It does so both indirectly, when it allows the selection of keywords, and directly, when it displays ads.

107. Google's uses of keywords which correspond to trade marks are independent of the use of the trade mark in the ads displayed and on the sites advertised in AdWords; they are limited to conveying that information to the consumer. Google does so in a manner which can be said to intrude even less on the interests of the trade mark proprietors than purely descriptive uses or comparative advertising. As I shall develop shortly, that point emerges more clearly if one reflects how absurd it would be to allow sites to use a trade mark for purely descriptive uses or comparative advertising, but not to allow Google to display a link to those sites. I believe, therefore, that the same principle should apply: given the lack of any risk of confusion, trade mark proprietors have no general right to prevent those uses.

108. I am concerned that, if trade mark proprietors were to be allowed to prevent those uses on the basis of trade mark protection, they would establish an absolute right of control over the use of their trade marks as keywords. Such an absolute right of control would cover, de facto, whatever could be shown and said in cyberspace with respect to the good or service associated with the trade mark.

109. It is true that, in the present cases, the trade mark proprietors limit their claims to Google's uses in AdWords. Nevertheless, once the notion of 'confusion' between ads and natural results is dispelled, this be-

comes a matter of perspective. Trade mark proprietors may also try to prevent the display of natural results alongside ads. The right of control that they claim covers all the results of keywords corresponding to their trade marks.

110. That absolute right of control would not take into account the particular nature of the internet and the role of keywords in it. The internet operates without any central control, and that is perhaps the key to its growth and success: it depends on what is freely inputted into it by its different users. (57) Keywords are one of the instruments – if not the main instrument – by means of which this information is organised and made accessible to internet users. Keywords are therefore, in themselves, content-neutral: they enable internet users to reach sites associated with such words. Many of these sites will be perfectly legitimate and lawful even if they are not the sites of the trade mark proprietor.

111. Accordingly, the access of internet users to information concerning the trade mark should not be limited to or by the trade mark proprietor. This statement does not apply only to search engines such as Google's; by claiming the right to exert control over keywords which correspond to trade marks in advertising systems such as AdWords, trade mark proprietors could de facto prevent internet users from viewing other parties' ads for perfectly legitimate activities related to the trade marks. That would, for instance, affect sites dedicated to product reviews, price comparisons or sales of second-hand goods.

112. It should be remembered that those activities are legitimate precisely because trade mark proprietors do not have an absolute right of control over the use of their trade marks. The Court played a determining role in establishing this, by holding that the interests of trade mark proprietors were not sufficient to prevent consumers from benefiting from a competitive internal market. (58) It would be paradoxical if the Court were now to curtail the possibility for consumers to have access to those benefits, as internet users, via the use of keywords.

113. It should therefore be concluded that the uses by Google, in AdWords, of keywords which correspond to trade marks do not affect the other functions of the trade mark, namely guaranteeing the quality of the goods or services or those of communication, investment or advertising. Trade marks which have a reputation are entitled to special protection because of those functions but, even so, such functions should not be considered to be affected. Thus, the uses by Google may not be prevented even if they involve trade marks which have a reputation.

d) Whether Google's possible contribution, through AdWords, to trade mark infringements by third parties constitutes, in itself, a trade mark infringement

114. It has already been observed that the arguments of the trade mark proprietors do not appear to make a distinction between the use of their trade marks by Google and their use by third parties. When Google allows the selection of keywords which correspond to trade marks, or displays ads in response to those keywords, it is the possibility of the trade mark falling into the 'wrong hands' of counterfeit sites that is highlighted by the proprietors in order to argue that Google is guilty of a trade mark infringement.

115. Trade mark proprietors have no legal problem in tackling counterfeit sites, as such sites are clearly involved in trade mark infringements; however, the practical difficulties of doing so should not be ignored. It is often difficult to determine the ownership of the sites, the applicable legislation and jurisdictional forum, and to pursue the respective procedures. Moreover, it is apparent that trade mark proprietors believe that other sites can swiftly replace those that are found to be in infringement. Accordingly, they have concentrated their attention on AdWords. To adapt a well-known metaphor, they believe that the most effective way to stop the message is to stop the messenger.

116. I concluded above that none of the uses by Google in AdWords of keywords which correspond to trade marks constitutes a trade mark infringement. Such uses can clearly be distinguished from uses by third parties on their sites, in the products sold on those sites, and in the text of the ads displayed in AdWords. The Court is called upon to assess only the use of keywords which correspond to trade marks; what the trade mark proprietors intend is for possible uses by third parties to become a decisive factor in that assessment.

117. The principle proposed by the trade mark proprietors is the following: since the uses by Google may potentially contribute to infringements by third parties, those uses should also be treated as constituting infringements – despite the fact that those uses do not in themselves satisfy the conditions for finding an infringement. As has been mentioned, this would involve a significant expansion of the scope of trade mark protection towards what is called in the United States 'contributory infringement'. (59) This expansion would be novel to most Member States, which traditionally treat these situations under liability rules; it would also be alien to the case-law of the Court, which has so far focused on separate, individual uses. (60)

118. It is obvious why the trade mark proprietors have focused on potential infringements by third parties: if actual infringements by counterfeit sites were required, the practical difficulties relating to their pursuit would, to a large extent, remain. (61) However, even if the trade mark proprietors had not already done so, the notion of a trade mark infringement based on actual infringements by third parties would still need to be discarded. One use should not necessarily depend on a subsequent use. When Google allows the selection of keywords, or when it displays ads in response to those keywords, its use is the same whether or not counterfeit sites are involved. As was pointed out above, the Court has rightly moulded its case-law to deal with separate, individual uses, and I see no reason to make a radical change to that approach, with largely unpredictable consequences.

119. Most importantly, I reject the notion that the act of contributing to a trade mark infringement by a third

party, whether actual or potential, should constitute an infringement in itself. The risks entailed by such contribution are inherent in most systems that facilitate access to and delivery of information; those systems can be used for both good and bad purposes.

120. That is also the situation with Google's search engine, but one does not have to look only at digital examples. The invention of printing, for example, has multiplied the possibilities for intellectual property infringements, and yet it would be absurd to argue that, because of such possibilities, newspapers, for example, ought to be prohibited or, at the very least, that their advertising or classified sections ought to be prohibited. (62) The logic and consequences of 'contributory infringement' become evident when it is recalled that one of the most famous cases brought in the United States under this doctrine, as applied to copyright, attempted to prohibit the manufacture and sale of videotape recorders. (63)

121. The claims of the trade mark proprietors would create serious obstacles to any system for the delivery of information. Anyone creating or managing such a system would have to cripple it from the start in order to eliminate the mere possibility of infringements by third parties; as a result, they would tend towards overprotection in order to reduce the risk of liability or even of costly litigation.

122. How many words would Google have to block from AdWords in order to be sure that no trade mark was infringed? And, if the use of keywords can contribute to trade mark infringements, how far would Google be from having to block those words from its search engine? It is no exaggeration to say that, if Google were to be placed under such an unrestricted obligation, the nature of the internet and search engines as we know it would change.

123. That does not mean that the concerns of the trade mark proprietors cannot be addressed, only that they should be addressed outside the scope of trade mark protection. Liability rules are more appropriate, since they do not fundamentally change the decentralised nature of the internet by giving trade mark proprietors general – and virtually absolute – control over the use in cyberspace of keywords which correspond to their trade marks. Instead of being able to prevent, through trade mark protection, any possible use – including, as has been observed, many lawful and even desirable uses – trade mark proprietors would have to point to specific instances giving rise to Google's liability in the context of illegal damage to their trade marks. They would need to meet the conditions for liability which, in this area, fall to be determined under national law.

124. It is in the context of possible liability that particular aspects of Google's role – such as the procedure under which it allows advertisers to select keywords under AdWords – could be taken into account. For example, Google provides advertisers with optional information which can help them to maximise the exposure of their ads. As some of the parties have pointed out, it may be that information on keywords which correspond to trade marks will also yield (as related keywords) information on expressions denoting counterfeit. (64) On the basis of that information, advertisers may decide to select those expressions as keywords in order to attract internet users. It is possible that, in so acting, Google may be contributing to internet users being directed to counterfeit sites.

125. In such a situation, Google may incur liability for contributing to a trade mark infringement. Even though an automated process is involved, there is nothing to prevent Google from making limited exclusions from the information which it provides to advertisers regarding associations with expressions clearly denoting counterfeit. The conditions under which Google might be liable are, however, a matter to be decided under national law. They are not covered by Directive 89/104 or Regulation No 40/94 and, accordingly, fall outside the scope of the present cases.

B – The third question in the first and third references, and the second question in the second reference: whether the liability exemption for hosting applies to the content featured by Google in AdWords

126. Google features two types of content in AdWords: the texts of the ads and their links. Both are the result of an automated process whereby, in accordance with certain guidelines, advertisers draft the text and input the link that they wish.

127. As has been observed, Google's liability may be engaged, under national law, for featuring content that involves trade mark infringements. Moreover, Google's liability is not limited to trade mark infringements; it can be engaged for any civil or criminal matter.

128. The question is whether, under Article 14 of Directive 2000/31, Google would be exempt from such liability. (65) This exemption applies where: (i) there is an information society service; (ii) that service consists in the storage of information, provided by the recipient of the service, at the request of that recipient; and (iii) the provider of the service has no actual knowledge of the illegal nature of the information, or of facts which would make such illegality apparent, and duly acts to remove it upon becoming aware of its illegality.

129. The trade mark proprietors, supported by France, have argued as regards the first two conditions that: (i) the provision of hyperlinks and search engines – and, therefore, the provision of Google's search engine and its associated service AdWords – is not covered by Directive 2000/31 and (ii) the advertising activity involved in AdWords cannot constitute hosting for the purposes of Article 14 of that directive. As regards the third condition, they have not argued that Google has actual knowledge of trade mark infringements or that these infringements are apparent – matters which, in any case, it would be for the referring court to assess. (66) I shall deal with the two arguments of the trade mark proprietors separately.

i) Whether Directive 2000/31 covers the provision of hyperlinks and search engines and, in consequence, the provision of AdWords

130. Directive 2000/31 applies to information society services. These are defined in Article 1(2) of Directive

98/34 as 'any service normally provided for remuneration, at a distance, by electronic means and at the individual request of a recipient of services'. (67)

131. There is nothing in the wording of the definition of information society services to exclude its application to the provision of hyperlinks and search engines, that is to say, to Google's search engine and AdWords. The element 'normally provided for remuneration' may raise some doubts as regards Google's search engine, but, as has been pointed out, the search engine is provided free of charge in the expectation of remuneration under AdWords. (68) Since both services are also provided 'at a distance, by electronic means and at the individual request of the recipient of services', they fulfil all the requirements necessary to be regarded as information society services.

132. The legislative history, however, presents a more complex picture, (69) as the Commission's first report on the application of Directive 2000/31 shows by stating that:

'the Commission will, in accordance with Article 21 [of Directive 2000/31], continue to monitor and rigorously analyse any new developments, including national legislation, case-law and administrative practices related to intermediary liability and will examine any future need to adapt the present framework in the light of these developments, for instance the need of additional limitations on liability for other activities such as the provision of hyperlinks and search engines'.

133. That report was drafted by the Commission pursuant to Article 21 of Directive 2000/31, which places it under an obligation to analyse 'the need for proposals concerning the liability of providers of hyperlinks and location tool services'. Article 21 is open to two possible interpretations: that the provision of hyperlinks and search engines is not covered by that directive, and that the Commission should assess whether there is a need to bring such provision within the scope of the directive; or that those services are already covered by the directive, and that the Commission's proposals are to concern the adaptation of the rules to their specific needs.

134. In my view, the latter interpretation is the correct one. Neither Directive 2000/31 nor Directive 98/34 is reticent when it comes to expressly excluding many activities from the field of information society services; (70) the provision of hyperlinks and search engines, despite the explicit reference in Article 21 of Directive 2000/31, does not figure among those express exclusions. In any case, the provision of hyperlink services and search engines falls squarely within the notion of information society services and, most importantly – as I will argue next – their inclusion is consistent with the aims pursued by Directive 2000/31.

135. The Commission itself has changed its opinion on the scope of Directive 2000/31, having argued in the present cases that the exemption provided for in Article 14 applies to AdWords. In any event, the Commission's view, as expressed in its report, could never condition the Court's interpretation of the directive, and the trade mark proprietors have hardly provided any other arguments, apart from that report.

136. Accordingly, the trade mark proprietors' argument should be rejected and both Google's search engine and AdWords deemed to constitute information society services falling within the scope of Directive 2000/31.

ii) Whether the advertising activity involved in AdWords constitutes hosting for the purposes of Article 14 of Directive 2000/31

137. The crucial issue is, therefore, whether Google's activities can be classified as hosting under Article 14 of Directive 2000/31, that is to say, whether AdWords is a service consisting in the storage, at the request of the recipient of the service, of information provided by that recipient.

138. As has been noted, AdWords features certain content – namely the text of ads and their links – which is both provided by the recipients of the service (the advertisers) and stored at their request. It follows that the conditions for falling under the notion of hosting, as defined in Article 14 of Directive 2000/31, are nominally fulfilled.

139. None the less, the trade mark proprietors argue that hosting implies an operation which is purely technical. By incorporating hosting into an advertising activity, AdWords falls outside the purview of Article 14 of Directive 2000/31.

140. It is reasonable to ask why the activity of advertising would have this effect. The fact remains that certain content is hosted by information society services, be it for advertising or for any other activity covered by those services. Information society services will rarely consist in activities which are exclusively technical, and will normally be associated with other activities which provide their financial support.

141. However, the present cases involve a particular advertising context which sets the hosting activity apart. That is the reason why I find myself in agreement with the trade mark proprietors – even if not automatically endorsing their arguments – that the liability exemption under Article 14 of Directive 2000/31 should not apply to AdWords. That position is based on the underlying aim of Article 14 and of Directive 2000/31 as a whole.

142. To my mind, the aim of Directive 2000/31 is to create a free and open public domain on the internet. It seeks to do so by limiting the liability of those which transmit or store information, under its Articles 12 to 14, to instances where they were aware of an illegality. (71)

143. Key to that aim is Article 15 of Directive 2000/31, which prevents Member States from imposing on information society service providers an obligation to monitor the information carried or hosted, or actively to verify its legality. I construe Article 15 of that directive not merely as imposing a negative obligation on Member States, but as the very expression of the principle that service providers which seek to benefit from a liability exemption should remain neutral as regards the information they carry or host.

144. This point is best illustrated by comparison with Google's search engine, which is neutral as regards the information it carries. (72) Its natural results are a product of automatic algorithms that apply objective criteria in order to generate sites likely to be of interest to the internet user. The presentation of those sites and the order in which they are ranked depends on their relevance to the keywords entered, and not on Google's interest in or relationship with any particular site. Admittedly, Google has an interest – even a pecuniary interest – in displaying the more relevant sites to the internet user; however, it does not have an interest in bringing any specific site to the internet user's attention.

145. That is not the position as regards the content featured in AdWords. Google's display of ads stems from its relationship with the advertisers. As a consequence, AdWords is no longer a neutral information vehicle: Google has a direct interest in internet users clicking on the ads' links (as opposed to the natural results presented by the search engine).

146. Accordingly, the liability exemption for hosts provided for in Article 14 of Directive 2000/31 should not apply to the content featured in AdWords. The question whether such liability exists in the first place is, as was pointed out above, a matter for national law to determine.

C – The first question in the third reference: whether trade mark proprietors can prevent the use, in AdWords, of keywords corresponding to their trade marks

147. I concluded above that neither of the uses made by Google of keywords corresponding to trade marks is in infringement of those trade marks, and that such an infringement should not depend on subsequent uses by third parties. The only issue left to assess is whether the use of those keywords by advertisers, when they select them in AdWords, constitutes an infringement.

148. This question boils down to whether there is a use in the course of trade. As was pointed out above, this condition implies that the use is not private, but part of a 'commercial activity with a view to a gain'. (73)

149. As was also mentioned above, when Google allows advertisers to select keywords which correspond to trade marks, it does so in relation to its AdWords service. It is selling this service to advertisers; accordingly, the advertisers are doing nothing more than acting as consumers.

150. It can be said that advertisers purchase the AdWords service with a view to using it in the context of their commercial activities, and that those activities cover the ads subsequently displayed. However, that display (and the use of the trade mark that it may or may not involve) is different from the selection of keywords, not only because it happens afterwards, but also because it alone is directed at a consumer audience, the internet users. (74) There is no such audience when the advertisers select the keywords. Accordingly, the selection of the keywords is not a commercial activity, but a private use on their part.

151. This private use by advertisers is the other side of the use by Google – considered above to be legal – which consists in allowing advertisers to select keywords which correspond to trade marks. It would be contradictory to exclude an infringement in the one case and to assert it in the other. That would be tantamount to saying that Google should be permitted to allow the selection of keywords that no one is permitted to select.

152. Again, it must be remembered that the advertisers' selection in AdWords of keywords which correspond to trade marks can take place for many legitimate purposes (purely descriptive uses, comparative advertising, product reviews, and so on). The consequence of considering that such selection constitutes, in itself, a trade mark infringement would be to preclude all those legitimate uses. (75)

153. Nor are trade mark proprietors left totally defenceless with respect to the selection of keywords which correspond to their trade marks. They can intervene whenever the effects are truly harmful, that is to say, when the ads are displayed to internet users. Although the Court has not been asked about the use of the trade mark in the ads, it should be stated that trade mark proprietors can prevent such use if it involves a risk of confusion. Even if no such risk arises, that use can be prevented if it affects other functions of the trade mark, such as those related to the protection of innovation and investment. However, it is not the use in ads, or on the sites advertised, that is the subject of the present cases.

154. As I have perhaps emphasised almost to exhaustion in this Opinion, it is important not to allow the legitimate purpose of preventing certain trade mark infringements to lead all trade mark uses to be prohibited in the context of cyberspace.

III – Conclusion

155. In view of the above, I propose that the Court state in answer to the questions referred by the Cour de cassation:

(1) The selection by an economic operator, by means of an agreement on paid internet referencing, of a keyword which will trigger, in the event of a request using that word, the display of a link proposing connection to a site operated by that economic operator for the purposes of offering for sale goods or services, and which reproduces or imitates a trade mark registered by a third party and covering identical or similar goods, without the authorisation of the proprietor of that trade mark, does not constitute in itself an infringement of the exclusive right guaranteed to the latter under Article 5 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks.

(2) Article 5(1)(a) and (b) of Directive 89/104 and Article 9(1)(a) and (b) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark must be interpreted as meaning that a trade mark proprietor may not prevent the provider of a paid referencing service from making available to advertisers keywords which reproduce or imitate registered trade marks or from arranging under the referencing agree-

ment for advertising links to sites to be created and favourably displayed, on the basis of those keywords.

(3) In the event that the trade marks have a reputation, the trade mark proprietor may not oppose such use under Article 5(2) of Directive 89/104 and Article 9(1)(c) of Regulation No 40/94.

(4) The provider of the paid referencing service cannot be regarded as providing an information society service consisting in the storage of information provided by the recipient of the service within the meaning of Article 14 of 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 ('Directive on electronic commerce').

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1 – Original language: English.

2 – Paraphrasing Matthew 7:7.

3 – In view of the particular context of this Opinion, namely internet advertising, I shall refer to such advertisements as 'ads' in order to differentiate them from normal advertisements.

4 – I shall use the term 'proprietors' to also cover the holders of licences granted by proprietors of the trade mark, under the terms of which they are entitled to use the trade mark in question.

5 – 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).

6 – Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1).

7 – 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 ('Directive on electronic commerce') (OJ 2000 L 178, p. 1).

8 – The parties have provided documents in support of their opposing views as to whether internet users truly distinguish between natural results and ads.

9 – In Microsoft and Yahoo!'s advertisement systems ads are differentiated from natural results in the same manner, except that they are highlighted in a different colour and the heading 'liens sponsorisés' is used.

10 – Although the first question of the third reference mentions advertisers 'reserving' keywords, it seems more appropriate – since there is no exclusivity – to use the expression 'selecting'.

11 – In the process for selecting keywords, as described, the advertiser could have been provided with information on searches made in Google's search engine using LV's trade marks and related keywords, the latter possibly including the use of those trade marks in association with expressions denoting counterfeit. The trade mark proprietors argue that providing such information would be tantamount to suggesting that advertisers select those associated expressions as keywords.

12 – Directive 98/34/EC of the European Parliament and of the Council of 22 June 1998 laying down a procedure for the provision of information in the field of technical standards and regulations (OJ 1998 L 204, p. 37).

13 – Directive 98/48/EC of the European Parliament and of the Council of 20 July 1998 amending Directive 98/34/EC laying down a procedure for the provision of information in the field of technical standards and regulations (OJ 1998 L 217, p. 18).

14 – This applies both under Article 5(1) and (2) of Directive 89/104; see Case C-533/06 O2Holdings andO2(UK) [2008] ECR I-4231, paragraph 34. However, it is more commonly at issue under Article 5(2), as third parties often attempt to take advantage of trade marks of reputation by using signs which are not identical to the trade mark but bear strong similarities to it, leading to an analysis as to whether such representations create a 'link in the mind of the public' with the trade mark (see Case C-487/07 L'Oréaland Others [2009] ECR I-0000, paragraph 36).

15 – That is to say, whether there is a use in relation to goods or services which are identical or similar to those covered by the trade mark, a question analysed further below in this Opinion. The representation of the trade mark is a precondition for the existence of a use; however, it does not necessarily follow from this representation that any of the conditions for finding such use to be in infringement is fulfilled, in particular that it involves a risk of confusion by consumers as to the origin of the good or service (see L'Oréal and Others, paragraph 37, and, as regards the 'likelihood of confusion' for the purposes of Article 4 of Directive 89/104, Case C-251/95 SABEL [1997] ECR I-6191, paragraph 26).

16 – The parallel between Article 5 of Directive 89/104 and Article 9 of Regulation No 40/94 is clear (see SABEL, paragraph 13). Accordingly, the same interpretation is followed in respect of both provisions as regards the conditions for finding an infringement (see Case C-62/08 UDV [2009] ECR I-0000, paragraph 42).

17 – It is not clear from the order for reference whether, as LV argues but Google disputes, the ads themselves make use of the trade mark.

18 – It is assumed, since the Cour de cassation mentions 'contrefaçons' ('counterfeits'), that the sites referred to in the first reference do sell infringing products.

19 – Contributory liability for trade mark infringement has developed as a judicial gloss on the Lanham Act of 1946, which governs trade mark disputes in the United States, although not expressly provided in the act. See 15 U.S.C. § 1051 et seq.; Inwood Laboratories, Inc. v. Ives Laboratories, Inc., 456 US 844, 853-55 (1982). Since Ives, contributory infringement suits in the United States have been brought under the Lanham Act, rather than under tort law. See, for example, Optimum Technologies, Inc. v. Henkel Consumer Adhesives, Inc., 496 F.3d 1231, 1245 (11th Cir. 2007); Rolex Watch USA v. Meece, 158 F.3d 816 (5th Cir. 1998); Hard Rock Cafe Licensing Corp. v. Concessions Services, Inc., 955 F.2d 1143 (7th Cir. 1992). Even in the

United States, however, contributory liability for trade mark infringement is seen as closely related to general liability law. When applying the United States Supreme Court's language in Ives, courts 'have treated trade mark infringement as a species of tort and have turned to the common law to guide [their] inquiry into the appropriate boundaries of liability' (Hard Rock Cafe, 955 F.2d at 1148). As a result, courts differentiate between contributory infringement and direct infringement and generally require proof of additional factors imported from tort law in the contributory liability context. See, for example, Optimum Technologies, 496 F.3d at 1245.

20 – See, as regards France and the Benelux countries, Pirlot de Corbion, S., 'Référencement et droit des marques: quand les mots clés suscitent toutes les convoitises', Google et les nouveaux services en ligne, dir. A. Strowel and J.-P. Triaille, Larcier, 2009, p. 143.

21 – See O2 Holdings andO2(UK), paragraph 57; Case C-206/01 ArsenalFootball Club [2002] ECR I-10273; Case C-245/02 Anheuser-Busch [2004] ECR I-10989; Case C-120/04 Medion [2005] ECR I-8551; Case C-48/05 Adam Opel [2007] ECR I-1017; and Case C-17/06 Céline [2007] ECR I-7041. Those cases concerned both or either Article 5(1)(a) (use involving identical products) and (b) (use involving similar products) of Directive 89/104, which indicates that these conditions apply under both provisions.

22 – Google's selection procedure allows advertisers to type in the keywords they wish to select. It optionally provides information on searches made in Google's search engine using those keywords or related keywords. In the view of the trade mark proprietors, this amounts to suggesting that advertisers select related keywords which are searched often (see footnote 11 above). Since the questions referred focus on the fact that keywords corresponding to trade marks are available for selection, I shall refer to the use – regardless of whether the keywords were chosen independently by advertisers or 'suggested' by AdWords – as allowing advertisers to select the keywords.

23 – See L'Oréal and Others, paragraph 63, where the Court states that these other functions include guaranteeing the quality of goods or services and those of communication, investment or advertising. The existence of these other functions was already mentioned in some of the cases cited in footnote 21 dealing with Article 5(1)(a) of Directive 89/104 (use involving identical products), but without being named (see the Opinion of Advocate General Mengozzi in L'Oréal and Others, point 50). However, such other functions do not feature in the cases dealing with Article 5(1)(b) (use involving similar products). Hence, when establishing a test common to both provisions, the Court has limited the conditions for finding a trade mark infringement to the essential function of guaranteeing the origin of goods and services.

24 – See Céline, paragraph 17, and Arsenal Football Club, paragraph 40.

25 – See Céline, paragraph 23 (beyond the more simple case of just affixing the sign to products). In Céline, the Court found that the use of a sign corresponding to a trade mark in order to designate an undertaking was a use in relation to goods or services only when it was linked to their marketing, and not when it was used solely to designate the undertaking.

26 – It is in this sense that the order for reference, by stating that 'the provider of the paid referencing service does not use the keyword reproducing or imitating the trade mark to designate its own goods and services', should be understood: no association is made to the general public.

27 – See footnote 21 above.

28 – See O2 Holdings andO2(UK), paragraphs 57 to 59.

29 – See footnote 24 above.

30 – See footnote 25 above.

31 – Namely whether Article 5(3)(d) includes the free and automated commercial messages of Google's search engine, or requires a paid service such as AdWords.

32 – See footnote 28 above.

33 – O2 Holdings andO2(UK), paragraph 59; Case C-342/97 Lloyd Schuhfabrik Meyer [1999] ECR I-3819, paragraph 17; and Medion, paragraph 26.

34 – See Case C-425/98 Marca Mode [2000] ECR I-4861, paragraphs 33 and 39.

35 – The Court may however make this assessment itself in situations where the facts are sufficiently clear to establish certain distinctions (see Céline, paragraphs 21 and 25 to 28) or rule on the issue directly (see Arsenal Football Club, paragraphs 56 to 60). The present cases, as will be seen, present such a situation.

36 – See footnote 8 above.

37 – See L'Oréal and Others, paragraph 34; Marca Mode, paragraph 36; Case C-408/01 Adidas-Salomon and Adidas Benelux [2003] ECR I-12537, paragraph 27; and Case C-102/07 adidas and adidas Benelux [2008] ECR I-2439, paragraph 40. See also, as regards Article 4(4)(a) of Directive 89/104, Case C-252/07 IntelCorporation [2008] ECR I-0000, paragraph 26.

38 – L'Oréal and Others, paragraph 50. Although the Court made a finding to that effect only in relation to unfair advantage, that conclusion should also apply in the case of detriment caused to the distinctive character or to the repute of the trade mark.

39 – See L'Oréal and Others, paragraphs 63 and 64.

40 – See footnote 23 above.

41 – See L'Oréal and Others, paragraph 50.

42 – See footnote 39 above.

43 – See L'Oréal and Others, paragraph 59.

44 – See Arsenal Football Club, paragraph 54: 'the proprietor [of the trade mark] may not prohibit the use of a sign identical to those for which the trade mark is registered if that use cannot affect his own interest as proprietor of the mark, having regard to its functions'.

45 – The Court has considered these public interest goals, outside the context of trade marks, in Case C-71/02 Karner [2004] ECR I-3025, paragraph 50, and Joined Cases C-20/00 and C-64/00 Booker Aquacultureand Hydro Seafood [2003] ECR I-7411, paragraph 68.

46 – See Arsenal Football Club, paragraphs 51 to 54.

47 – Notably the uses that do not fulfil the conditions for trade mark infringement as set out in the Court's case law, see footnote 21 above.
48 – Case C-2/00 Hölterhoff [2002] ECR I-4187, paragraphs 16 and 17.
49 – Arsenal Football Club, paragraph 54.
50 – The Court could have applied Article 6(1)(b) of Directive 89/104 to the uses with purely descriptive purposes at issue in Hölterhoff. Under that provision, the trade mark proprietor cannot prohibit a third party from using, in the course of trade, inter alia, 'indications concerning the kind, quality, quantity, [and] intended purpose', provided that the third party uses them in accordance with 'honest practices in industrial or commercial matters' (see the Opinion of Advocate General Jacobs in Hölterhoff, points 47 to 61). Instead, the Court chose to make an unqualified exclusion from trade mark protection.
51 – L'Oréal and Others, paragraph 62. Despite the fact that the case involved trade marks which had a reputation, the Court differentiated it on the facts from the purely descriptive uses in Hölterhoff.
52 – Council Directive 84/450/EEC of 10 September 1984 relating to the approximation of the laws, regulations and administrative provisions of the Member States concerning misleading advertising (OJ 1984 L 250, p. 17), as amended by Directive 97/55/EC of European Parliament and of the Council of 6 October 1997 (OJ 1997 L 290, p. 18) and Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 (OJ 2005 L 149, p. 22).
53 – See O2 Holdings andO2(UK), paragraphs 41 to 45.
54 – See O2 Holdings andO2(UK), paragraphs 38 to 40, and L'Oréal and Others, paragraph 68.
55 – Comparative advertising is not considered per se as taking unfair advantage under Article 3(f) of Directive 84/450; in L'Oréal and Others, it took the existence of imitations, falling under Article 3(g) of the directive, for the Court to find that there was such an unfair advantage.
56 – The use by Google of allowing advertisers to select keywords corresponding to trade marks bears some similarity to purely descriptive uses: when offering such a possibility, Google is describing how its AdWords service will operate whenever those keywords are entered in its search engine. However, while in Hölterhoff the type of good used for the description was identical (one trade marked gem cut used to describe another), that is not the case here (trade marks associated with a variety of goods and services are used to describe how Google's advertising system will operate). This demonstrates that the use is more than purely descriptive: it offers the possibility of advertising exposure within the context of the search engine.
57 – It has been remarked that the internet could have been designed differently with more centralised control, filtering of content and closed protocols (see, but in a critical light, Boyle, J., The Public Domain, Yale University Press, 2008, p. 80).
58 – Namely by removing competitive and trade mark limitations in order to allow parallel imports by distributors (see the seminal Cases 56/64 and 58/64 Consten and Grunding [1966] ECR 299, 345), and by laying down the principle of exhaustion which allows the sale of second-hand goods (see, among many, Case C-10/89 HAG II [1990] ECR I-3711, paragraph 12).
59 – See footnote 19 above.
60 – The conditions for finding an infringement presuppose an individual use, see footnote 21 above. For example, in Céline, the Court distinguished the different uses by the same undertaking; see footnote 25 above.
61 – The trade mark proprietor claims are reflected in the questions referred, which focus on making keywords which correspond to trade marks available for selection – a possibility which is prior to, and independent of, any infringement by third parties.

62 – In fact, the situation in the present cases is similar in some respects to the situation of classified advertisements in newspapers: these are usually not subject to trade mark protection (with regard to the newspaper), but can give rise to liability under certain conditions.
63 – Sony Corp. of America v. Universal City Studios, Inc., 464 US 417 (1984). Other litigation in the United States makes clear the potential consequences of a broad understanding of 'contributory infringement'. See, for example, Fonovisa, Inc. v. Cherry Auction, Inc., 76 F.3d 259 (9th Cir. 1996), in which the plaintiff attempted, by suing the landlord, to close down a swap meet where copyright-violating material was sold, and Perfect 10, Inc. v. Visa International Service Association, 494 F.3d 788 (9th Cir. 2007), in which the plaintiff attempted to hold credit card companies liable for their customers' purchase of infringing material online.
64 – See footnote 11 above.
65 – Report from the Commission to the European Parliament, the Council and the European Economic and Social Committee – First Report on the application of 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 (Directive on electronic commerce) – COM(2003) 0702 final, paragraph 4.6: 'The limitations on liability provided for by the Directive are established in a horizontal manner, meaning that they cover liability, both civil and criminal, for all types of illegal activities initiated by third parties.'
66 – The exemption under Article 14 of Directive 2000/31 applies only to liability for third-party content; it does not apply to the service activity of the host which is independent of this content. Accordingly, Directive 2000/31 does not provide for a blanket exemption from any obligations which bind the service activity under which the hosting is provided.
67 – Article 1(2) of Directive 98/34, transcribed above, goes on to define those conditions in more detail.

68 – In any event this would not affect AdWords, which is a service provided against remuneration.
69 – It has been commented, with regard to the liability exemption for 'caching' provided for in Article 13 of Directive 2000/31, that 'those [who] participated in the discussions know' that this exemption was not intended to apply to Google (Triaille, J.-P., 'La question des copies "cache" et la responsabilité des intermédiaires Copiepresse c. Google, Field v. Google', Google et les nouveaux services en ligne (op. cit.), p. 261). None the less, it has also been stated with regard to the liability exemption for hosting of Article 14 of the directive that, although search engine providers are not nominally covered by the laws transposing it into French law, an application of these rules by analogy is both desirable and fair, in the light of those providers' essential role for the internet and their lack of control over the information provided, further adding that such analogy is 'largely accepted' in French academic writings and jurisprudence (Pirlot de Corbion, S. (op. cit.), p. 127). In comparison with the laws transposing the directive into French law, the United States' Digital Millennium Copyright Act has a specific exemption for search engines (although limited to copyright, and not specifically directed to caching or hosting).
70 – See the reference in Article 1(2) of Directive 98/34 to a list of excluded activities set out in Annex 5 thereto, and the list set out in Article 1(5) of Directive 2000/31 of matters excluded from the scope of that directive.
71 – Recital 46 in the preamble to Directive 2000/31 states: 'In order to benefit from a limitation of liability, the provider of an information society service, consisting of the storage of information, upon obtaining actual knowledge or awareness of illegal activities has to act expeditiously to remove or to disable access to the information concerned; the removal or disabling of access has to be undertaken in the observance of the principle of freedom of expression and of procedures established for this purpose at national level.' See, as regards the legality of these national procedures, Decision No 2009-580 of 10 June 2009 of the French Constitutional Council.
72 – In my view, it would be consistent with the aim of Directive 2000/31 for Google's search engine to be covered by a liability exemption. Arguably Google's search engine does not fall under Article 14 of that directive, as it does not store information (the natural results) at the request of the sites that provide it. Nevertheless, I believe that those sites can be regarded as the recipients of a (free) service provided by Google, namely of making the information about them accessible to internet users, which means that Google's search engine may fall under the liability exemption provided in respect of 'caching' in Article 13 of that directive. If necessary, the underlying aim of Directive 2000/31 would also allow an application by analogy of the liability exemption provided in Articles 12 to 14 thereof.
73 – See footnote 24 above.
74 – All the uses described in Article 5(3) of Directive 89/104 involve this consumer audience, with one exception, namely that referred to in Article 5(3)(a): the affixing of the sign to a good. This should be regarded as a precautionary exception, the interpretation of which should not be broadened to cover situations where there is no affixing of the trade mark to a good.
75 – It may be interesting to recall, in the context of the third reference, that the advertisers at issue operate sites referred to as in competition with the trade mark proprietors and that those sites do not, in themselves, infringe the trade marks. Accordingly, trade mark holders wish to prevent other undertakings' sites from using the association with their trade marks as a means of competition (in the same way that undertakings may compete by paying to advertise next to their competitors). Such a result hardly seems compatible with the place of trade marks in 'the system of undistorted competition which the Treaty is intended to establish and maintain' (Arsenal Football Club, paragraph 47).