Internet (Information Society) Service Providers and Trade Mark Infringement

By Alexander von Mühlendahl

I. Introduction

More than 125 judgments have been rendered by the European Court of Justice interpreting the European Union’s trade mark law, and an even greater number of decisions have been taken on appeal from the General Court. As a result we know pretty well what distinctiveness and descriptiveness mean, and how to define reputation, and likelihood of confusion, and what cases should or should amount to exhaustion when medicines are re-branded, co-branded, de-branded and repackaged, and what “genuine use” means – a big and perhaps even useful and well-deserved effort with rather limited results. Many other issues are still outstanding, such as whether “intent of use” is a requirement for access to registration. Also, as regards infringement, while we have some general view of what may constitute infringing acts, use, offer for sale, placing on the market, transporting goods in transit, we have barely begun to look at the issue of who is liable. The ECJ has in fact never analysed trade mark infringement – or more generally IP infringement – under the aspect of personal liability, but has instead sought to determine liability on the basis of whether the respective acts fall within the ambit of the exclusive right, i.e. the right to exclude others.

The advent of the Internet has changed the playing field, notions of use limited to a particular jurisdiction are no longer valid, the “actors” involved in IP infringements have multiplied, and they are often entirely out of the jurisdiction where the infringing acts are committed or have their intended effect. For example: Offering Rolex or Cartier replicas, made in China or elsewhere, via spam email sent by unknown senders to an unknown numbers of addressees – how can the rights to the Rolex name or mark effectively be enforced? What is the situation when such replicas are offered on auction sites like eBay? With or without the intervention of search engines? We have become familiar with “cloud hosting”, “file sharing” etc. Are these novel services themselves liable for infringements, mainly of copyrighted works?

In our pre-Internet non-digital lives we had to deal with parallel situations in the analogue world: Does the publisher of a newspaper or magazine have some and if so what responsibility for infringing

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advertisements published in his journal? Does the landlord of a building owe the proprietor of an IP right an obligation to prevent the selling of infringing goods from or on his premises? Can you sue the city of X for tolerating the sale of counterfeit goods on its streets? Can the maker of a video recording device be held responsible for copyright infringements committed by purchasers of the device? Among the questions we are looking at today is the question whether these analogue cases are similar to the ones currently raised with regard to the digital universe.

Google, just to remind you, the leading search engine, was founded barely a decade ago. Currently (2011) Google’s revenue, more than 95 % from advertising, is about 39 billion US$ per year, and rising fast, and income (revenue minus expenses) is at about 12 billion US$/year. Much if not most of this money is paid by advertisers whose ads appear on Google’s sites as a result of the purchase of words – “ADWORDS” is a Google-protected mark in the EU since 2002/2003– which more often than not consist of third-party trade marks.

Take YouTube as another example, a platform which is barely 5 years old and which currently has some 50 hours of new video uploaded every minute – which adds up 3000 hours every hour or 72,000 hours every 24 hours. Advertising on that site, now owned by Google, is addressee-driven, rather than content-driven, as it was and is on more traditional television.

My presentation today deals with liability for trade mark infringement in the non-traditional settings of the Internet, but I will have references occasionally to our brick & mortar “analogue” world as well. Specifically I will analyse the question of “who” should be liable, rather than “for what” liability should be recognized.

II. Liability: direct, indirect, aiding, abetting, …

Who is or should be liable for infringement? A look at ACTA provides a useful start.

ACTA, the Anti-Counterfeiting Trade Agreement, was signed by the European Union and 22 of its Member States on 22 January 2012. The Agreement seeks to enhance the protection of IP rights, notably trade marks and copyrights, beyond the level reached with the 1994 TRIPS Agreement. The ACTA story is relevant in the present context because it just appeared that among the five EU countries which have as yet not signed the treaty are Poland, the Czech Republic, Slovakia and Latvia, but also Germany. There were anti-ACTA protests in more than 50 cities in Germany. The “why” of these protests is related with our topic tonight. People are protesting against what is seen as an unwarranted extension of IP infringement liability to acts committed on or via Internet websites.

As regards the substance of liability, ACTA would require that criminal liability must be available at least for willful counterfeiting of trade marks and piracy of copyrighted works on a commercial scale. Furthermore, Article 23 (4) ACTA requires also criminal liability for aiding and abetting. That is, as far as I know, in fact the first time that these terms, well-known to criminal lawyers, appear in any international instrument relating to the protection of intellectual property rights. They point directly to issues under review today.

In the traditional world of IP protection, the question of “who” is liable is not generally a focus of attention. Nevertheless, some questions may be asked here as well. Liability of legal entities is usually predicated on some acts done or sanctioned by their “organs”, usually “officers” of the company. What happens however if some employee or agent of the legal entity is responsible for the

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2 Pursuant to Article 39 of the ACTA Agreement, the Agreement is open for signature between 1 May 2011 and 1 May 2013 by the negotiating parties and any other WTO Member the negotiating parties agree to by consensus. The negotiating parties were, in addition to the European Union and its 27 Member States, Australia, Canada, Japan, the Republic of Korea, the United Mexican States, the Kingdom of Morocco, New Zealand, the Republic of Singapore, the Swiss Confederation, and the United States of America.

3 Section 4: Criminal Enforcement
   Article 23: Criminal Offences
   1. …

4. With respect to the offences specified in this Article for which a Party provides criminal procedures and penalties, that Party shall ensure that criminal liability for aiding and abetting is available under its law.
infringement? Do we have a “vicarious” liability principle applicable to the entity itself? No rule exists as far as I know in EU law. In German trade mark law we have a provision which holds the owner of a business enterprise liable for acts committed by employees or agents. Would the individual employee or agent also be liable? In ACTA, where the EU and others have been loud and clear in claiming that no change of European legislation is required, we find, i.a., the following:⁴

Each Party shall adopt such measures as may be necessary, consistent with its legal principles, to establish the liability, which may be criminal, of legal persons for the offences specified in this Article for which the Party provides criminal procedures and penalties. Such liability shall be without prejudice to the criminal liability of the natural persons who have committed the criminal offences.

What happens with regard to liability for preparatory acts, such as the making of labels to be affixed to goods or their packaging? Again, under German law we have a special provision extending liability to such acts as separate acts of infringement; no such rule exists in EU trade mark law. ACTA would include such acts.⁵

2. Each Party shall provide for criminal procedures and penalties to be applied in cases of wilful importation and domestic use, in the course of trade and on a commercial scale, of labels or packaging:

(a) to which a mark has been applied without authorization which is identical to, or cannot be distinguished from, a trademark registered in its territory; and

(b) which are intended to be used in the course of trade on goods or in relation to services which are identical to goods or services for which such trademark is registered.

If we turn to other acts committed with regard to infringing goods, other than making, offering for sale, putting on the market etc., which we would qualify as “direct infringement”, we have at a first level of analysis the difficult task of determining who is a “direct” infringer. For example, again in Germany, in a case involving alleged patent infringement, the question had to be decided whether a “shipper” or forwarder is an infringer when the goods shipped are patent infringing.⁶

How about acts committed by several persons acting together, something which is called in Germany “Mittäterschaft”, i.e. “co-actors”? How do we deal in Europe with “indirect infringement”? And, finally, and now at the center of our inquiry, what is the situation with regard to persons contributing to infringements committed by others in one way or another, by aiding, abetting, inducing or procuring the infringement? Are they liable? Under which theory? A criminal-law theory, or a tort-law theory, where you analyse the respective duties of the parties to each other? Or do the Germans again provide a viable answer, with the theory of the so-called “Störer”, a person providing the means of committing infringement without being an infringer?⁷ Again, nothing on such situations is found in EU trade mark law. But, we have rudimentary rules elsewhere.

Let us first have a look at the case law of the European Court of Justice dealing with trade mark infringements on or via the Internet.

III. Internet and trade marks: the case law of the European Court of Justice

⁴ ACTA, Article 23 (5).
⁵ ACTA, Article 23 (2).
⁶ In fact, in the judgment of the Federal Supreme Court (BGH) of 17 September 2009, Case Xa ZR 2/08, published in GRUR 2009, 1142 – “MP3-Player-Import”, it was held that the forwarder was indeed liable as infringer and had to deliver the infringing goods for destruction.
⁷ “Störerhaftung” as applied in Germany was referred to at some length by Mr. Justice Arnold in his opinion of 16 July 2009 in the case L’Oréal v. eBay, [2009] EWHC 1094 (Ch), at para. 455 to 465, leading to the order of 16 July 2009 of referral of questions to the ECJ referring the L’Oréal/eBay case to the ECJ.
The European Court of Justice has, since March 2010 until the end of 2011, decided 8 cases presenting issues of liability for infringements committed on or via the Internet. The issues that arose were:

- Liability of search engine operators (Google) for providing the means of selecting third-party trade marks as keywords (“ADWORDS”) and collecting money for this service;
- Liability of persons placing advertisement on the website alongside the "natural" search results
  - for the purchase of third-party trade marks as keywords and
  - for the advertisements appearing on the website;
- Liability of Internet auction platforms such as eBay for infringing goods offered on their websites.

1. Liability of search engines

The “leading cases” on search engine liability and advertiser liability are three Google cases, three parallel cases referred to the ECJ by the French Cour de cassation and decided in a single judgment on 23 March 2010.

This decision establishes that the search engine itself, by “selling” third-party trade marks as keywords for advertisements to appear alongside natural search results, does not commit trade mark infringement. The Court concluded, on a narrow literal construction of European trade mark law, that Google did not use the third-party marks in its own “commercial communication”:

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

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8 The cases are:
Judgment of 23 March 2010, Joined Cases C-236, 237 & 238, Google France v. Louis Vuitton;
Judgment of 25 March 2010, Case C-278/08, Die BergSpechte v. Guni;
Order of 26 March 2010, Case 91/09, Eis.de v. BBY;
Judgment of 8 July 2010, C-558/08, Portakabin v. Primakabin;
Judgment of 12 July 2011, Case C-324/09, L’Oréal v. eBay;
Judgment of 22 September 2011, Case C-323/09, Interflora v. Marks & Spencer.
9 Decision of 23 March 2010, Joined Cases C-236, 237 & 238, Google France v. Louis Vuitton
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.

While “commercial communication” is a novelty in trade mark infringement analysis, the result is a sequel to earlier but still recent ECJ judgments requiring use of the allegedly infringed mark by the infringer for the infringer’s own goods or services, not those of the trade mark proprietor (for me an illegitimate offspring of Arsenal, already appearing in O2, in plain contradiction to the multitude of exhaustion cases decided over the years by the same Court).

In the lead-up to that decision, the highly regarded and very learned (Portuguese) Advocate General Poiares Maduro (now at the European University Institute in Florence) observed or concluded that European trade mark law did not comprise the notion of "contributory infringement" or "third-party liability", the consequence being that it would be left for each Member State to decide whether cases of "non-direct" infringement would or would not result in liability:

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’, 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.

The statement was (and is) of course wrong as regards “trade mark protection in Europe”, as the long debates about third-party liability in practically all European jurisdictions show. I also find it difficult to accept that trade mark infringement is somehow divorced from tort law in general, or what is called by the Advocate General somewhat indistinctly “the laws on liability”. In the relevant footnote only two publications referring to French and Belgian law are cited. We will see that European law as well has a possible source for the development of rules on third-party liability.

The full court neither endorsed nor rejected (nor even mentioned) this analysis. Thus, Google leaves us in the cold on third-party liability.

2. Liability of purchasers of keywords and advertisers

As regards advertisers purchasing and placing advertisements on the websites of the “internet referencing service” (i.e. search engine), their liability differs, according to the Court,

- in cases of what is called double identity in Europe (same mark, same goods and services),

- in cases where protection depends on likelihood of confusion, and

- in cases where the allegedly infringed mark has a reputation,

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10 Judgment of 12 November 2002, Case C-206/01, Arsenal Football Club v. Reed.
11 Judgment of 12 June 2008, Case C-533/06, O2 Holdings v. Hutchinson 3G; in that case, which involved comparative advertising as trade mark infringement, the ECJ found that the use of a competitor’s mark in comparative advertising actually amounts to the use of that mark for the advertiser’s own services.
The differentiation is necessary because the Court had determined – pretty much out of the blue – that in double identity cases functions of the infringed mark referred to as advertising, communication and investment functions deserve protection, in addition to the traditional origin function,12 whereas in likelihood of confusion cases only the origin-indication function must be considered. In reputation mark cases the focus is the damage to the reputed mark’s distinctive character or reputation, either under the aspect of detriment to distinctiveness (blurring) or reputation (tarnishment), or under the aspect of taking advantage of distinctiveness or reputation (free ride), provided the “taking” is unfair and without due cause.

I will not deal in detail with this “thicket” of liability of advertisers in today’s presentation. In summary, the situation is as follows:

In “double identity” cases, the purchaser of keywords and advertiser with the advertisements appearing alongside the natural search result, is liable if the message does not allow a normally attentive member of the relevant public to understand whether the message originates from the trade mark proprietor or not. The “headnote” 1 of the Google cases reads as follows:

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.

In “likelihood of confusion” cases the liability follows exactly the same rule. The ECJ concluded in the BergSpechte case as follows, the only addition to the earlier judgment being the “or similar to”:

Article 5 (1) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks 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 or similar to that trade mark which that advertiser has, without the consent of that 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 advertising 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 by an undertaking which is economically connected to it or, on the contrary, originate from a third party.

In “reputation” cases, liability is not dependent on finding likelihood of confusion but requires, by taking into account all circumstances of the case, that the earlier mark either suffers detriment to distinctiveness or reputation, or is taken advantage of. The Interflora judgment concluded on these issues as follows:

2. Article 5(2) of Directive 89/104 and Article 9(1)(c) of Regulation No 40/94 must be interpreted as meaning that the proprietor of a trade mark with a reputation is entitled to prevent a competitor from advertising on the basis of a keyword corresponding to that trade mark, which the competitor has, without the proprietor’s consent, selected in an internet referencing service, where the competitor thereby takes unfair advantage of the distinctive

character or repute of the trade mark (free-riding) or where the advertising is detrimental to that distinctive character (dilution) or to that repute (tarnishment). Advertising on the basis of such a keyword is detrimental to the distinctive character of a trade mark with a reputation (dilution) if, for example, it contributes to turning that trade mark into a generic term.

By contrast, the proprietor of a trade mark with a reputation is not entitled to prevent, inter alia, advertisements displayed by competitors on the basis of keywords corresponding to that trade mark, which put forward – without offering a mere imitation of the goods or services of the proprietor of that trade mark, without causing dilution or tarnishment and without, moreover, adversely affecting the functions of the trade mark with a reputation – an alternative to the goods or services of the proprietor of that mark.

3. Liability of Auction Platforms

As regards the liability of auction platforms such as eBay, when such enterprises purchase keywords for goods or services offered on their sites, they are themselves not liable for infringement. This is again the result of the Google analysis according to which the use of a mark must be made in commercial communication for the users own goods or services.

As regards liability for the fake goods available on its website, the Court had no difficulty in finding the proper legal basis for the analysis, no doubt aided by the wording of the reference to the Court, namely the third sentence of Article 11 of the Enforcement Directive, which reads as follows:

Article 11
Injunctions

Member States shall ensure that, where a judicial decision is taken finding an infringement of an intellectual property right, the judicial authorities may issue against the infringer an injunction aimed at prohibiting the continuation of the infringement. Where provided for by national law, non-compliance with an injunction shall, where appropriate, be subject to a recurring penalty payment, with a view to ensuring compliance. Member States shall also ensure that rightholders are in a position to apply for an injunction against intermediaries whose services are used by a third party to infringe an intellectual property right, without prejudice to Article 8(3) of Directive 2001/29/EC.

I will return to the case, but first have a look at the liability issue more generally in its regulatory context.

IV. The Legal and Regulatory Context – the e-commerce Directive

Liability for the infringement of IP rights is governed by the respective legislation. This is EU law, in the case of unitary rights such as Community trade marks and Community designs, or EU law in conjunction with national law, in the case of Directives and the norms implementing them in the national law of the Member States, as is the case with the Trade Marks Directive and the Designs Directive and many directives in the filed of copyright law, or it may be entirely national law without EU influence or overlap, as is currently the case with most of patent law. As regards sanctions in case of infringements, the IP Rights Enforcement Directive of 2004 has established a set of minimum rules which must be observed by all Member States.

When liability for acts of infringement is involved which have been committed through or via the Internet, we must also have regard to the regulatory framework applicable to Internet service

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14 Footnote 13.
providers or more generally information science providers (ISPs). This is primarily the so-called e-commerce Directive of 2001.15

1. Internet Service Providers (ISPs) and the general rules of liability

ISPs are defined not in the e-commerce Directive, but in Directive 98/48/EC16 as follows:

2. "service", any Information Society service, that is to say, any service normally provided for remuneration, at a distance, by electronic means and at the individual request of a recipient of services.

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.

The general scheme with regard to ISPs established in an EU Member State is that they are, as far as the coordinated fields are concerned, subject only to the law of the Member State of their establishment. Article 3 (1) and (2) of the Directive provide as follows:

Article 3
Internal market
1. Each Member State shall ensure that the information society services provided by a service provider established on its territory comply with the national provisions applicable in the Member State in question which fall within the coordinated field.
2. Member States may not, for reasons falling within the coordinated field, restrict the freedom to provide information society services from another Member State.

An exception as to the applicable law is provided for, among others, IP rights. This follows from the Annex to the Directive which, as far as relevant, provides as follows:

ANNEX
DEROGATIONS FROM ARTICLE 3
As provided for in Article 3(3), Article 3(1) and (2) do not apply to:
- copyright, neighbouring rights, rights referred to in Directive 87/54/EEC(1) and Directive 96/9/EC(2) as well as industrial property rights,
- ...

Liability of IP rights infringement therefore is governed by the law of the Member State where the infringement takes place, and not to the law of Member State where the ISP is established.

The Directive also contains a series of general provisions limiting the liability of ISPs falling within certain categories, namely the connection service providers (mere "conduit"), the cache service

providers, and the hosting service providers, respectively governed by Article 12, 13, and 14 of the Directive. These provisions are as follows:

Section 4: Liability of intermediary service providers

Article 12 - "Mere conduit"
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.

Article 13 - "Caching"
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.

Article 14 - Hosting
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.

Article 15 - No general obligation to monitor
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.

Article 15 of the e-commerce Directive provides for a further general limitation of ISPs falling under Article 12, 13, and 14, as follows:

Article 15
No general obligation to monitor
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.

In order to determine liability when ISPs are involved, it is thus first of all necessary to determine whether they fall into one of the categories in Article 12, 13, and 14 of the e-commerce Directive. If they do, the liability limitations of these Articles as well as of Article 15 apply. If the limitations do not apply, the question of whether they are liable for IP infringement arises. That same question must be asked when the ISP does not fall under Articles 12 to 14 of the e-commerce Directive.

V. Liability of Internet service providers under the e-commerce Directive and under the IPR Enforcement Directive

In the situations we are considering here, notably the search engines with advertising content, and Internet auction platforms, the first issue to be determined is whether they fall within any of the three categories with regard to which the Directive provides for a limitation of liability.

It seems obvious that search engines such as Google and auction platforms such as eBay are neither mere conduits (connecting services), nor “caches”. But they may fall within the hosting definition.
The issue was brought before the ECJ for the first time in the Google cases decided in March 2010 because the referring court had inquired to the liability of Google under the e-commerce Directive. The ECJ held that the “hosting” exception only applies when the activity of the “host” is limited to an automatic processing of the data.\footnote{Google France, supra footnote, at para. 112 et seq.}

In that regard, the Court has already stated that, in order for an internet service provider to fall within the scope of Article 14 of Directive 2000/31, it is essential that the provider be an intermediary provider within the meaning intended by the legislature in the context of Section 4 of Chapter II of that directive.

That is not the case where the service provider, instead of confining itself to providing that service neutrally by a merely technical and automatic processing of the data provided by its customers, plays an active role of such a kind as to give it knowledge of, or control over, those data.

The operator plays such a role when it provides assistance which entails, in particular, optimising the presentation of the offers for sale in question or promoting them.

If the activity should fall within Articles 12 to 14 of the e-commerce Directive, the next question is under what circumstances the exception or limitation of liability does not apply. Taking Article 14 (“hosting”) as an example, the limitation does not apply when the ISP has actual knowledge of illegal activity or is aware of facts and circumstances from which the illegal activity or information is apparent:

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 \textit{actual knowledge} of illegal activity or information and, as regards claims for damages, is \textit{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.

The requirements are thus knowledge or awareness and inaction. The Court in L’Oréal v. eBay has given a rather broad interpretation to the obligations under (a) and (b), by holding:

Where the operator of the online marketplace has not played an active role within the meaning of the preceding paragraph and the service provided falls, as a consequence, within the scope of Article 14(1) of Directive 2000/31, the operator none the less cannot, in a case which may result in an order to pay damages, rely on the exemption from liability provided for in that provision \textit{if it was aware of facts or circumstances on the basis of which a diligent economic operator should have realised that the offers for sale in question were unlawful and, in the event of it being so aware, failed to act expeditiously in accordance with Article 14(1)(b) of Directive 2000/31.}

It remains to be seen what the national court will do with that Delphic statement.

If the national court should find that eBay does not fit within the category of Article 14 of the e-commerce Directive, or does not satisfy the exemption requirements, the liability for trade mark infringement arises.
2. Liability of ISPs without exemption

If we assume that the exemption in Article 14 does not apply, we have to answer the question as to the law applicable to determine liability and the appropriate sanction. In our situation the law is trade mark law, and the sanctions are those provided under Community or national law in accordance with the (implemented) Enforcement Directive.

We have seen in the Google cases that Google is not a (direct) infringer, even though facilitating or acting as a (necessary) intermediary in the use of third-party trade marks by keyword purchasers, and the same would apply for Internet auction platforms such as eBay when infringing goods are offered on their websites.

It is in this context that Article 11 3rd sentence of the Enforcement Directive becomes operative, where we left off earlier.

The Court, in L’Oréal v. eBay, rather forcefully came out in favour of a broad obligation of Internet service providers of the type of eBay, holding as follows:

7. The third sentence of Article 11 of Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights must be interpreted as requiring the Member States to ensure that the national courts with jurisdiction in relation to the protection of intellectual property rights are able to order the operator of an online marketplace to take measures which contribute, not only to bringing to an end infringements of those rights by users of that marketplace, but also to preventing further infringements of that kind. Those injunctions must be effective, proportionate, and dissuasive and must not create barriers to legitimate trade.

A parallel situation exists in copyright law. Article 8 (3) of the so-called Information-Society-Directive applies, which reads as follows:

Article 8
Sanctions and remedies
1. Member States shall provide appropriate sanctions and remedies in respect of infringements of the rights and obligations set out in this Directive and shall take all the measures necessary to ensure that those sanctions and remedies are applied. The sanctions thus provided for shall be effective, proportionate and dissuasive.
2. Each Member State shall take the measures necessary to ensure that rightholders whose interests are affected by an infringing activity carried out on its territory can bring an action for damages and/or apply for an injunction and, where appropriate, for the seizure of infringing material as well as of devices, products or components referred to in Article 6(2).
3. Member States shall ensure that rightholders are in a position to apply for an injunction against intermediaries whose services are used by a third party to infringe a copyright or related right.

That provision had led a somewhat “Sleeping Beauty” life until it was brought to full bloom in a judgment of 28 July 2011 by Mr. Justice Arnold in Twentieth Century Fox v. British Telecom, just a few days (16 in fact) after, but fully taking into account the ECJ’s L’Oréal v. eBay judgment. In many respects the questions and the applicable law are very similar – indeed, Article 11, third sentence of

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the Enforcement Directive is substantially the same as Article 8 (3) of the Information Society Directive, adopted three years earlier. However, copyright law is beyond the scope of the present inquiry.

3. Intermediate summary

As an intermediate summary the following conclusions may be drawn.

In brick & mortar “analogue” situations, sanctions in cases of trade mark infringements are applied not only against “direct infringers”, but also against a variety of other actors, in any event in accordance with the rules on liability under national law. In addition, Article 11 3rd sentence of the Enforcement Directive applies to so-called “intermediaries”, such as publishers, perhaps also landlords etc.

In Internet-based situations, we first determine whether we have, as will normally be the case, an ISP. Next, we must determine whether the ISP falls within one of the categories of providers governed by Article 12, 13 and 14 of the e-commerce Directive. If that is the case, the liability limitations of the Directive apply. Where there is a breach of these obligations, liability is incurred under the respective substantive law, which covers intermediaries in accordance with Article 11 of the Enforcement Directive. Where the ISP does not fall within Article 12, 13 or 14, full liability under the applicable law applies, including intermediary liability pursuant to Article 11 of the Enforcement Directive.

VI. Consequences – what can be expected from ISPs?

The final steps in our analysis require us to determine what sanctions are available against ISPs and whether they are the same as against “analogue” infringers. This brings us to Article 15 of the e-commerce Directive and further to Article 3 of the Enforcement Directive, applicable to all sanctions against all infringers of IP rights.

The first of these, previously already referred to, reads as follows:

Article 15
No general obligation to monitor
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.

The second reads as follows:

Article 3
General obligation
1. Member States shall provide for the measures, procedures and remedies necessary to ensure the enforcement of the intellectual property rights covered by this Directive. Those measures, procedures and remedies shall be fair and equitable and shall not be unnecessarily complicated or costly, or entail unreasonable time-limits or unwarranted delays.
2. Those measures, procedures and remedies shall also be effective, proportionate and dissuasive and shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.
1. Direct liability

It is clear from Google that neither the referencing services nor the auctions sites can be held responsible as “direct” trade mark infringers. Liability rather must follow from Article 11 3rd Sentence of the Enforcement Directive. How that is to be achieved with regard to “European trade mark law” as described in the Advocate General’s conclusions in the Google cases remains to be seen. In any event, national law must provide a remedy, as mandated by Article 11 3rd Sentence of the Enforcement Directive.

2. Intermediary liability

From the ECJ’s case law – which is currently still limited essentially to the L’Oréal v. eBay case and two recent judgments relating to measures against ISPs accused of facilitating copyright infringements - it appears that applying sanctions against intermediaries requires a careful balancing of the interests involved – proprietors of IP rights, freedom to operate, proportionality are the “catchwords”.

The ECJ begins its analysis in the L’Oréal v. eBay decision with the obligations of ISPs for the prevention of IP infringements:

128 For the purpose of determining whether the injunctions referred to in the third sentence of Article 11 of Directive 2004/48 also have as their object the prevention of further infringements, it should first be stated that the use of the word ‘injunction’ in the third sentence of Article 11 differs considerably from the use, in the first sentence thereof, of the words ‘injunction aimed at prohibiting the continuation of the infringement’, the latter describing injunctions which may be obtained against infringers of an intellectual property right.

129 As the Polish Government in particular observed, that difference can be explained by the fact that an injunction against an infringer entails, logically, preventing that person from continuing the infringement, whilst the situation of the service provider by means of which the infringement is committed is more complex and lends itself to other kinds of injunctions.

130 For that reason, an ‘injunction’ as referred to in the third sentence of Article 11 of Directive 2004/48 cannot be equated with an ‘injunction aimed at prohibiting the continuation of the infringement’ as referred to in the first sentence of Article 11.

131 Next, it must be stated that, in view of the objective pursued by Directive 2004/48, which is that the Member States should ensure, especially in the information society, effective protection of intellectual property (see, to that effect, Case C-275/06 Promusicae [2008] ECR I-271, paragraph 43), the jurisdiction conferred, in accordance with the third sentence of Article 11 of the directive, on national courts must allow them to order an online service provider, such as a provider making an online marketplace available to internet users, to take measures that contribute not only to bringing to an end infringements committed through that marketplace, but also to preventing further infringements.

132 That interpretation is borne out by Article 18 of Directive 2000/31, which requires the Member States to ensure that court actions available under their national law concerning information society services’ activities allow for the rapid adoption of measures designed to terminate any alleged infringement and to prevent any further impairment of the interests involved.

133 An interpretation of the third sentence of Article 11 of Directive 2004/48 whereby the obligation that it imposes on the Member States would entail no more than granting intellectual-property right holders the right to obtain, against providers of online services,
injunctions aimed at bringing to an end infringements of their rights, would narrow the scope of the obligation set out in Article 18 of Directive 2000/31, which would be contrary to the rule laid down in Article 2(3) of Directive 2004/48, according to which Directive 2004/48 is not to affect Directive 2000/31.

134 Finally, a restrictive interpretation of the third sentence of Article 11 of Directive 2004/48 cannot be reconciled with recital 24 in the preamble to the directive, which states that, depending on the particular case, and if justified by the circumstances, measures aimed at preventing further infringements of intellectual property rights must be provided for.

2. Measures imposed on online service providers

135 As is clear from recital 23 to Directive 2004/48, the rules for the operation of the injunctions for which the Member States must provide under the third sentence of Article 11 of the directive, such as those relating to the conditions to be met and to the procedure to be followed, are a matter for national law.

136 Those rules of national law must, however, be designed in such a way that the objective pursued by the directive may be achieved (see, inter alia, in relation to the principle of effectiveness, Joined Cases C-430/93 and C-431/93 Van Schijndel and van Veen [1995] ECR I-4705, paragraph 17; Joined Cases C-222/05 to C-225/05 van der Weerd and Others [2007] ECR I-4233, paragraph 28, and Joined Cases C-145/08 and C-149/08 Club Hotel Loutraki and Others [2010] ECR I-0000, paragraph 74). In that regard, it should be borne in mind that, under Article 3(2) of Directive 2004/48, the measures concerned must be effective and dissuasive.

The ECJ then turns to the limitations that the national courts must observe when issuing injunctions against ISPS:

138 The rules laid down by the Member States, and likewise their application by the national courts, must also observe the limitations arising from Directive 2004/48 and from the sources of law to which that directive refers.

139 First, it follows from Article 15 (1) of Directive 2000/31, in conjunction with Article 2 (3) of Directive 2004/48, that the measures required of the online service provider concerned cannot consist in an active monitoring of all the data of each of its customers in order to prevent any future infringement of intellectual property rights via that provider’s website. Furthermore, a general monitoring obligation would be incompatible with Article 3 of Directive 2004/48, which states that the measures referred to by the directive must be fair and proportionate and must not be excessively costly.

140 Second, as is also clear from Article 3 of Directive 2004/48, the court issuing the injunction must ensure that the measures laid down do not create barriers to legitimate trade. That implies that, in a case such as that before the referring court, which concerns possible infringements of trade marks in the context of a service provided by the operator of an online marketplace, the injunction obtained against that operator cannot have as its object or effect a general and permanent prohibition on the selling, on that marketplace, of goods bearing those trade marks.

The Court also analysed some of the measures that the auction site might be required to take, with the following language:
Despite the limitations described in the preceding paragraphs, injunctions which are both effective and proportionate may be issued against providers such as operators of online marketplaces. As the Advocate General stated at point 182 of his Opinion, if the operator of the online marketplace does not decide, on its own initiative, to suspend the perpetrator of the infringement of intellectual property rights in order to prevent further infringements of that kind by the same seller in respect of the same trade marks, it may be ordered, by means of an injunction, to do so.

Furthermore, in order to ensure that there is a right to an effective remedy against persons who have used an online service to infringe intellectual property rights, the operator of an online marketplace may be ordered to take measures to make it easier to identify its customer-sellers. In that regard, as L’Oréal has rightly submitted in its written observations and as follows from Article 6 of Directive 2000/31, although it is certainly necessary to respect the protection of personal data, the fact remains that when the infringer is operating in the course of trade and not in a private matter, that person must be clearly identifiable.

The measures that are described (non-exhaustively) in the preceding paragraphs, as well as any other measure which may be imposed in the form of an injunction under the third sentence of Article 11 of Directive 2004/48, must strike a fair balance between the various rights and interests mentioned above (see, by analogy, Promusicae, paragraphs 65 to 68).

The balance between the rights of IP owners and “intermediaries” such as search engines and auction platforms, or file-sharing services, must be set so as to permit the carrying-out of legitimate businesses but also permit the protection of IP rights. The recent (24 November 2011) ECJ judgment in Scarlet Extended v. SABAM (Case C-70/10), a copyright case, summarized this balance in a clear and succinct (if still Delphic) manner. In that case the legality of a blanket order requiring a file-sharing operator to install comprehensive control mechanisms was challenged, and was held by the ECJ to be disproportionate:

In the light of the foregoing, it must be held that the injunction imposed on the ISP concerned requiring it to install the contested filtering system would oblige it to actively monitor all the data relating to each of its customers in order to prevent any future infringement of intellectual-property rights. It follows that that injunction would require the ISP to carry out general monitoring, something which is prohibited by Article 15(1) of Directive 2000/31.

In order to assess whether that injunction is consistent with European Union law, account must also be taken of the requirements that stem from the protection of the applicable fundamental rights, such as those mentioned by the referring court.

In that regard, it should be recalled that the injunction at issue in the main proceedings pursues the aim of ensuring the protection of copyright, which is an intellectual-property right, which may be infringed by the nature and content of certain electronic communications conducted through the network of the ISP concerned.

The protection of the right to intellectual property is indeed enshrined in Article 17(2) of the Charter of Fundamental Rights of the European Union (‘the Charter’). There is, however, nothing whatsoever in the wording of that provision or in the Court’s case-law to suggest that that right is inviolable and must for that reason be absolutely protected.

More specifically, it follows from paragraph 68 of that judgment that, in the context of measures adopted to protect copyright holders, national authorities and courts must strike a fair balance between the protection of copyright and the protection of the fundamental rights of individuals who are affected by such measures.

In particular, strike a fair balance between the protection of the intellectual property right enjoyed by copyright holders and that of the freedom to conduct a business enjoyed by operators such as ISPs pursuant to Article 16 of the Charter.

Accordingly, such an injunction would result in a serious infringement of the freedom of the ISP concerned to conduct its business since it would require that ISP to install a complicated, costly, permanent computer system at its own expense,

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21 Judgment of 24 November 2011, Case C-70/10, Scarlet Extended v. SABAM. The full quotation of the relevant passages is instructive:
40 In the light of the foregoing, it must be held that the injunction imposed on the ISP concerned requires it to install the contested filtering system would oblige it to actively monitor all the data relating to each of its customers in order to prevent any future infringement of intellectual-property rights. It follows that that injunction would require the ISP to carry out general monitoring, something which is prohibited by Article 15(1) of Directive 2000/31.
41 In order to assess whether that injunction is consistent with European Union law, account must also be taken of the requirements that stem from the protection of the applicable fundamental rights, such as those mentioned by the referring court.
42 In that regard, it should be recalled that the injunction at issue in the main proceedings pursues the aim of ensuring the protection of copyright, which is an intellectual-property right, which may be infringed by the nature and content of certain electronic communications conducted through the network of the ISP concerned.
43 The protection of the right to intellectual property is indeed enshrined in Article 17(2) of the Charter of Fundamental Rights of the European Union (‘the Charter’). There is, however, nothing whatsoever in the wording of that provision or in the Court’s case-law to suggest that that right is inviolable and must for that reason be absolutely protected.
44 As paragraphs 62 to 68 of the judgment in Case C-275/06 Promusicae [2008] ECR I-271 make clear, the protection of the fundamental right to property, which includes the rights linked to intellectual property, must be balanced against the protection of other fundamental rights.
45 More specifically, it follows from paragraph 68 of that judgment that, in the context of measures adopted to protect copyright holders, national authorities and courts must strike a fair balance between the protection of copyright and the protection of the fundamental rights of individuals who are affected by such measures.
46 Accordingly, in circumstances such as those in the main proceedings, national authorities and courts must, in particular, strike a fair balance between the protection of the intellectual property right enjoyed by copyright holders and that of the freedom to conduct a business enjoyed by operators such as ISPs pursuant to Article 16 of the Charter.
47 In the present case, the injunction requiring the installation of the contested filtering system involves monitoring all the electronic communications made through the network of the ISP concerned in the interests of those rightholders. Moreover, that monitoring has no limitation in time, is directed at all future infringements and is intended to protect not only existing works, but also future works that have not yet been created at the time when the system is introduced. Accordingly, such an injunction would result in a serious infringement of the freedom of the ISP concerned to conduct its business since it would require that ISP to install a complicated, costly, permanent computer system at its own expense,
As regards past infringements, Article 11 3rd Sentence of the Enforcement Directive requires only injunctive relief and thus is silent as regards other remedies, such as damages etc. Nevertheless, the ECJ has stated quite explicitly that ISPs must make available relevant information about those committing trade mark infringement via their sites – they cannot “hide” behind privacy or data protection rules. This “sounds” very much like the obligations for providing information already part of the Enforcement Directive, notably its Article 8.

As regards measures to prevent future infringements, it is explicit in the ECJ’s judgments that ISPs must take measures to prevent such infringements. In the L’Oréal/eBay judgment, this is expressed in rather “opaque” terms as follows as regards future infringements of the same trade mark (para. 141):

> ...measures to prevent future infringements of that kind by the same seller in respect of the same trade marks, it may be ordered, by means of an injunction, to do so.

It remains an open issue of how ISPs are to conduct their business in order to comply with any injunction that may have been issued against them. What the right measures may or should consist of is a matter for the national courts to develop, and this will require a high degree of imagination and resourcefulness on the part of lawyers and judges.

What is not permitted is to impose a general monitoring obligation of legitimate ISPs. This follows, for “privileged” ISP providers falling under Article 12 to 14 of the e-commerce Directive, from Article 15 of that Directive, and for all others from Article 3 of the Enforcement Directive. Thus, we actually do not need Article 15 of the e-commerce Directive to get to the result that an a priori comprehensive monitoring system to prevent infringing goods or services to be available on the relevant websites is not a solution which is acceptable under European Union law.

VII. Summary and conclusion

which would also be contrary to the conditions laid down in Article 3(1) of Directive 2004/48, which requires that measures to ensure the respect of intellectual-property rights should not be unnecessarily complicated or costly.

49 In those circumstances, it must be held that the injunction to install the contested filtering system is to be regarded as not respecting the requirement that a fair balance be struck between, on the one hand, the protection of the intellectual-property right enjoyed by copyright holders, and, on the other hand, that of the freedom to conduct business enjoyed by operators such as ISPs.

50 Moreover, the effects of that injunction would not be limited to the ISP concerned, as the contested filtering system may also infringe the fundamental rights of that ISP’s customers, namely their right to protection of their personal data and their freedom to receive or impart information, which are rights safeguarded by Articles 8 and 11 of the Charter respectively.

51 It is common ground, first, that the injunction requiring installation of the contested filtering system would involve a systematic analysis of all content and the collection and identification of users’ IP addresses from which unlawful content on the network is sent. Those addresses are protected personal data because they allow those users to be precisely identified.

52 Secondly, that injunction could potentially undermine freedom of information since that system might not distinguish adequately between unlawful content and lawful content, with the result that its introduction could lead to the blocking of lawful communications. Indeed, it is not contested that the reply to the question whether a transmission is lawful also depends on the application of statutory exceptions to copyright which vary from one Member State to another. Moreover, in some Member States certain works fall within the public domain or can be posted online free of charge by the authors concerned.

53 Consequently, it must be held that, in adopting the injunction requiring the ISP to install the contested filtering system, the national court concerned would not be respecting the requirement that a fair balance be struck between the right to intellectual property, on the one hand, and the freedom to conduct business, the right to protection of personal data and the freedom to receive or impart information, on the other.

54 In the light of the foregoing, the answer to the questions submitted is that Directives 2000/31, 2001/29, 2004/48, 95/46 and 2002/58, read together and construed in the light of the requirements stemming from the protection of the applicable fundamental rights, must be interpreted as precluding an injunction made against an ISP which requires it to install the contested filtering system.
This brings me back to our original series of questions, and we can now attempt to answer them:

1. Liability of referencing services

Google and similar so-called referencing services are not “direct” infringers when they sell third-party trade marks as keywords for advertisements to appear on their websites. They are however “intermediaries” within the meaning of Article 11 3rd sentence of the Enforcement Directive and thus as a matter of principle liable for infringements committed by third parties through advertisements placed on Google’s websites. However, which is the law that Google might infringe as intermediary? Apparently not European trade mark law. But some doctrine of national law would seem to be applicable. If Google can be qualified as a “host” within the meaning of Article 14 of the e-commerce Directive, its liability under any theory would require that they are in violation of the exemption exception in Article 14. In any event, removal of infringing material can be requested under Article 14. As regards the prevention of future infringements, we now know that a general monitoring requirement cannot be imposed. Are there intermediary solutions?

Is that a satisfactory solution? I do not think so – trade mark owners will not be happy with Google selling the advertising potential of their marks to third parties who wish to be associated with the reputation or distinctiveness of the mark, and attacking the infringing advertisements instead of Google as the operator of the website is a tedious exercise. I find it unsatisfactory that the law does not provide some relief to the trade mark owner, such as, e.g., a right to “opt out” of any of the advertising systems of the likes of Google.

2. Liability of auction sites

eBay and similar auction sites are unlikely to fall within the “hosting” category. They are thus subject to “unlimited” liability under the e-commerce Directive, for trade mark or other IP rights infringements, provided of course that what they do amounts to infringement. It is unlikely to be “direct infringement”. We are thus left with the “intermediary” liability under Article 11 3rd sentence of the Enforcement Directive. Under this Directive, and thus under any national law dealing with the enforcement of IP rights, again a removal of infringing material may be requested, which puts the burden of monitoring on the IP rights owners. A general monitoring requirement cannot be imposed. However, eBay and others are obliged to create and maintain a system which not only suppresses committed infringements, but which also effectively prevents future infringements “of the same kind”, while not amounting to a barrier to legitimate trade. How such a system or how such measures might look like – the ECJ is not going to answer this, except perhaps in the negative as in Scarlet Extended. The ECJ, not being an appellate court, has no jurisdiction or power to set the contours of such a system. This is a matter for the national courts.

Thus, we turn to proceedings in national courts. It will be most interesting to see how the parties before the High Court and the judge will implement the mandate resulting from the “Delphic” ECJ judgments in L’Oréal v. eBay and Interflora.

3. Digital vs. analogue

Is the world of ISP providers truly different from the analogue world? Probably not, as far as the legal results are concerned. We apply the same legal rules, using established concepts, and do not differentiate according to the means employed or the carrier of the message. Factually, however, we live in two different worlds, digitally virtual and analogue, and the factual issues arising in the virtual world will continue to challenge our fantasy and our legal intellect.