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Use, or not use, that is the question: Case C?179/15 Daimler AG v Együd Garage Gépjárműjavító és Értékesítő Kft.

Adam Gyorgy (SBGK Attorneys at Law and Patent Attorneys) · Monday, March 7th, 2016

The dispute started with the termination of a license contract by which Együd Garage was entitled to use Daimler AG's trade mark "Mercedes-Benz" and to describe itself as 'felhatalmazott Mercedes Benz szerviz' ('authorised Mercedes-Benz dealer') in its own online (www.telefonkonyv.hu) advertisements ordered from the Hungarian Phonebook Company (MTT). Despite the request of Együd Garage to amend the advertisement, it continued to appear for some time on that website with that reference. In fact it still does – see currently available online Yellow Pages [here](#). So Daimler took Együd Garage to court over alleged infringement of its Mercedes-Benz trademark. Együd Garage argued that it had done what it could to prevent the infringing use, which could not be attributed to it as it had asked for the wrong reference to be removed.

The Metropolitan Tribunal (Fővárosi Törvényszék) essentially asked whether Article 5(1)(a) and (b) of Directive 2008/95 (TMD) must be interpreted as meaning that a third party, who is named in an advertisement published on a website, which contains a sign identical or similar to a trade mark in such a way as to give the impression that there is a commercial relationship between him and the proprietor of the trade mark, makes a use of that sign which may be prevented by that proprietor under that provision, even where that advertisement has not been placed by that third party or on his behalf or where that third party took all reasonable steps to have it removed, but did not succeed in doing so.

The question circles around what constitutes "trademark use". In principle, in order to establish whether the contested use is "trademark use", two criteria have to be examined, namely, whether the use is (1) "in the course of trade" and (2) "in relation to products and services". The CJEU has never dealt with the "obvious" question whether the word "use" covers only infringement by action or extends to infringement by omission.

The CJEU noted, by way of example that, according to its ordinary meaning, the expression 'zu benutzen', 'using', 'faire usage', 'usare', 'het gebruik', 'használ', used respectively in the German, English, French, Italian, Dutch and Hungarian versions of that provision, involves active behaviour and direct or indirect control of the act constituting the use. According to the court, that is not the case if that act is carried out by an independent operator without the consent of the advertiser, or even against his express will. The court went on by saying that only a third party who has direct or indirect control of the act constituting the use is effectively able to stop that use. This finding was backed up with the principle that no one can be legally obliged to do the impossible (*impossibilium nulla obligatio est*). In sum the court is of the opinion that the advertiser cannot be held liable for

the acts or omissions of a provider who, intentionally or negligently, disregards the express instructions given by that advertiser who is seeking, specifically, to prevent infringing use of the mark.

The court finally “recommends” that there is possibility for the proprietor (1) to claim – on the basis of national law (unjust enrichment 6:579 Civil Code) – from the advertiser reimbursement of any unlawfully acquired financial advantage; (2) to take action against the operators of the referencing websites at issue. As to the second it is interesting to see whether such action would be successful. One question would be whether providing the referencing service (in addition, without a mandate to do so and without being paid) would be use of the mark in the course of trade for the trademark owner’s goods or services. Moreover, according to the *Google France decision*, the 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. Here one would have to argue that the service provider was put on notice that, following the termination of the contract between Együd Garage and Daimler, the continued use of Mercedes-Benz in the advertisement amounted to infringement. Whether that was indeed the case would appear to depend on the communication that the service provider received.

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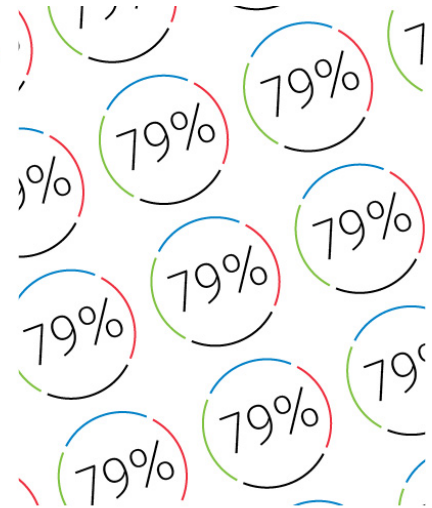
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