JUDGMENT OF THE COURT (Grand Chamber)

23 March 2010 *

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),

and

Google France SARL

v

* Language of the cases: French.

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-1279, paragraph 42; and Case C-487/07 *L'Oréal and Others* [2009] ECR I-5185, 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 displayed 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.

[Signatures]