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The National Institute of Intellectual Property
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المجلة العلمية للملكية الفكرية وإدارة الابتكار

دورية نصف سنوية محكمة يصدرها

المعهد القومي للملكية الفكرية

جامعة حلوان

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تهدف المجلة العلمية للملكية الفكرية وإدارة الابتكار إلى نشر البحوث والدراسات النظرية والتطبيقية في مجال الملكية الفكرية بشقيها الصناعي والأدبي والفني وعلاقتها بإدارة الابتكار والتنمية المستدامة من كافة النواحي القانونية والاقتصادية والادارية والعلمية والأدبية والفنية.

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Violation of trademarks in the digital environment

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Violation of trademarks in the digital environment

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Abstract

This paper discusses the problem of the infringement of the trademarks in digital environment and the sale of counterfeit goods online which becomes common act in the digital trade locally and worldwide. Till now their no law or legislation to fight this types of violating trademarks in the digital environment

The protection provided in the Egyptian law is not sufficient to address this type of violation under civil, criminal or administrative laws.

This paper addresses this problem and gives some suggestions and recommendations to overcome the shortcoming in the current system.

Keywords: trademarks, violation, digital environment and infringement.

Chapter one

Introduction

Intellectual property (IP) refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce.

IP is protected in law by, for example, patents, copyright and trademarks, which enable people to earn recognition or financial benefit from what they invent or create.

By striking the right balance between the interests of innovators and the wider public interest, the IP system aims to foster an environment in which creativity and innovation can flourish.

The research Problem

With the spread of electronic commerce and the multiplication of commercial electronic platforms in an unprecedented way and easy access to them, as well as offering goods and products to them, especially pharmaceutical and cosmetic products and technology without oversight or examination, the consumer finds himself in the face of the scourge of fraud and counterfeiting and harms the physical and health interests of consumers and spoil the general taste of society and what encourages this is that National legislation lacks laws and regulations organizing such cases, whether rules and regulations for service providers or owners of commercial electronic platforms, but we now face countless cases of unprofitable profit and competition Anguish and even more dangerous is imparted

notoriety for the homeland in the legislative structured e-business interests, which leads him to the reluctance of investors And thwarting the state's efforts to promote foreign investment and on the national level, this phenomenon leads to thwarting the state's plan to promote national industries, especially medium and small, as the owners of famous brands lack protection, what is the status of young people and what motivates these national entities to innovate and provide solutions and products to the Egyptian market in light of the lack of institutions The state has policies and laws that protect the outcome of their mind and their innovative effort.

The importance of the study:

Fill-in the legislative and executive deficiencies in the trade, investment and Intellectual Property Law and set effective and strict rules to protect trademarks in general and in particular national brands from their electronic violation which in turn attracts investors and stimulates national minds in various fields and integrates this undeclared economy into the national economy and then pushing the indicators of our economy to Towards better and better conditions for consumer protection and laying the foundation for pure Egyptian brand names that work in harmony with laws and procedures that protect and support their presence and continuity in the local market and then in regional and international levels.

Research questions

- Who should bear of the burden of policing trademarks into online auction trade providers?

- What is the proper approach to strike affair balance in allocating responsibilities between the global trademark and SME owner and the online auction providers?

- What is the obligation should apply on seller from online auction providers?

Research Objectives

Renewing the position of the Egyptian legislator in the field of protection for digital works, especially relating to trademarks, improving and reforming means to prevent and suppress criminology and information infringement by setting a standard that permits some actions to be considered by information criminality, thus facilitating the fight against this type of crime at the national and international level as this crime does not have a country that can be committed from different parts of the world, which necessitates the existence of mutual international cooperation, which Egypt stepped towards in 2014 by signing the Arab Convention to Combat Information Technology Crime.

Whereas, information is one of the most valuable things in existence and whoever possesses the information with its association with the means of protection may possess the power.

Research methodology

In studying this topic, we will follow the comparative inductive scientific method based on comparison in the study of this phenomenon, the subject of the research paper as it highlights similarities and differences among the phenomenon in more than one different legal system with practical applications in each system, given the importance of this phenomenon in supporting the

national and global economy in All countries of the world, developing and developed alike.

Section one

The different types of IPRs

IPRs divide into two main categories: the industrial property and the literary works. Followings are the types of IPRs with their definitions.

Copyrights: Copyright is a legal term used to describe the rights that creators have over their literary and artistic works. Works covered by copyright range from books, music, paintings, sculpture and films to computer programs, databases, advertisements, maps and technical drawings.

Patents: A patent is an exclusive right granted for an invention. A patent provides the patent owner with the right to decide how - or whether - the invention can be used by others. In exchange for this right, the patent owner makes technical information about the invention publicly available in the published patent document.

Trademark: A trademark is a sign capable of distinguishing the goods or services of one enterprise from those of other enterprises. Trademarks date back to ancient times when artisans used to put their signature or "mark" on their products.

Industrial design: An industrial design constitutes the ornamental or aesthetic aspect of an article. A design may consist of three-dimensional features, such as the shape or surface of an

article, or of two-dimensional features, such as patterns, lines or color.

Geographical indications: Geographical indications and appellations of origin are signs used on goods that have a specific geographical origin and possess qualities, a reputation or characteristics that are essentially attributable to that place of origin. Most commonly, a geographical indication includes the name of the place of origin of the goods.

Trade secrets: Trade secrets are IP rights on confidential information, which may be sold or licensed. The unauthorized acquisition, use or disclosure of such secret information in a manner contrary to honest commercial practices by others is regarded as an unfair practice and a violation of the trade secret protection.

Section two

The importance of commerce in the digital environment

E-commerce (electronic commerce) is the activity of electronically buying or selling of products on online services or over the Internet. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. E-commerce is in turn driven by the technological advances of the semiconductor industry, and is the largest sector of the electronics industry.

Modern electronic commerce typically uses the World Wide Web for at least one part of the transaction's life cycle although it may also use other technologies such as e-mail. Typical e-commerce transactions include the purchase of online books (such as Amazon) and music purchases (music download in the form of digital distribution such as iTunes Store), and to a less extent, customized/personalized online liquor store inventory services¹. There are three areas of e-commerce: online retailing, electronic markets, and online auctions. E-commerce is supported by electronic business².

There are many forms of e-commerce including but not limited to:

- Providing or participating in online marketplaces, which process third-party business-to-consumer (B2C) or consumer-to-consumer (C2C) sales
- Business-to-business (B2B) buying and selling;
- Gathering and using demographic data through web contacts and social media
- Business-to-business (B2B) electronic data interchange
- Marketing to prospective and established customers by e-mail or fax (for example, with newsletters)

¹ "Retail e-commerce sales CAGR forecast in selected countries from 2016 to 2021". Statista. October 2016. Retrieved 1 January 2018. Available at <https://www.statista.com/statistics/220177/b2c-e-commerce-sales-cagr-forecast-for-selected-countries/>.

² Power, Michael 'Mike' (19 April 2013). "Online highs are old as the net: the first e-commerce was a drugs deal". The Guardian. London. Retrieved 17 June 2013.

- Engaging in retail for launching new products and services
- Online financial exchanges for currency exchanges or trading purposes

Despite global economic downturn, online trade, in particular the sale of counterfeit goods via the Internet continues to soar. An important player in this game is the online auction provider. Though it is not the direct infringer, trademark owners see it as the logical legal defendant. Due to the nature of online auction, an online auction provider may be sued by the same or different plaintiffs in different jurisdictions. Not surprisingly, the outcome of litigation varies from court to court. This fragmented approach of different courts to the liability of online auction providers calls for harmonization of the law.

The crime created on the Internet has raised several problems due to the fact that these patterns indicate that it is difficult to control this network, and the crimes committed through it, on the one hand, and on the other hand, it is difficult to discover or threaten these crimes, or to exploit these crimes. Not real.

The crime is committed online because of the speedy dissemination of information and it is also difficult to record it on computers abroad, making it reach the world in a matter of moments.

It is developed through new criminal patterns. These patterns are mentioned and we mentioned that these crimes criminalize viruses and steal political and commercial secrets.

The use of information technology in obtaining and transferring information from the use of the most important pillars

that enables us to keep abreast of development and progress in all fields, in addition to the impact of this in the provision of time, effort and money, thanks to the development of the concept and uses of information technology, and that is the same. It resembles a small cosmic village.

Chapter two

Violation of trademarks in the digital environment

To combat the increase of the trading of counterfeit goods in the online environment, certain brand owners have relied upon contributory trademark infringement claims against service providers. These service providers are huge marketplaces that allow anyone to offer, sell, and buy just about anything, at any time, from anywhere, in a variety of pricing formats and locations, such as Stores, fixed price formats, and auction-style formats. There are many known service providers around the world such as eBay, Amazon, noon and so on.

eBay deems itself the world's largest online marketplace, acting as a conduit for registered buyers and sellers around the world to come together to buy and sell an endless variety of goods and services. The company embraces the fact that it "connects hundreds of millions of people around the world every day, empowering them to explore new opportunities and innovate together."¹ eBay's market value is estimated to be around \$30

¹ Press Release, eBay Inc. Applauds Court's Rejection of Tiffany Counterfeit Claims (July 14, 2008), *available at* <http://investor.ebay.com/releasedetail.cfm?ReleaseID=322126>.

billion¹. The auction house reported 2008 revenues of \$8.5 billion, has approximately 248 million registered users across the globe, and disclosed a total value of \$59.65 billion in goods and services sold on its site in 2008².

Therefore, some brand owners, particularly those who own what are referred to as “luxury brands,” have taken action against eBay for providing an arena to facilitate and profit from the sale of counterfeit goods.

Section one

Comparative studies on current existing legal systems

Online trademark counterfeits are international by nature. Consequently, the existing international cooperation mechanisms, such as cooperation through mutual legal assistance agreements or international arrest or evidence warrants, are lengthy processes and inadequate to respond to large volume, high speed and anonymous online counterfeit activities.

With global warming and globalization, online auction providers found themselves caught not only in the summer heat of 2008 but the legal fanfare of different jurisdictions. From late April to the end of July of 2008, eBay, the largest online auction provider in the world, had appeared as a defendant five times

¹ *eBay, Inc.—Stock Quote Analysis at a Glance*, FORBES, Nov. 11, 2009, <http://finapps.forbes.com/finapps/jsp/finance/compinfo/CIAtAGlance.jsp?tkr=EBAY>.

² eBay Inc., Annual Report (Form 10-K), at 49 (Feb. 11, 2009), available at http://files.shareholder.com/downloads/eBay/749841999x0x281367/1b773a7c-8c14-45b8-915a-1716ca37dda0/eBay_2008AR.pdf.

before four different national courts for its role in facilitating the sale of counterfeit products¹.

Sub-section one

The situation in United States of America (USA)

Tiffany v. eBay [New York, USA]

In stark contrast, on this side of the Atlantic, the Jeweler Tiffany sued eBay, Inc. in the Southern District of New York (04 Civ. 4607 (RJS)). Tiffany alleged that thousands of counterfeit silver jewelry items were sold on eBay's website from 2003 to 2006 in violation of the law. Tiffany argued that eBay was liable for direct and contributory trademark infringement.

Judge Richard J. Sullivan ruled that eBay's use of Tiffany's trademarks, even when associated with counterfeited goods, is a protected fair use and that no infringement occurred. The court reminded Tiffany that the standard for liability was not a reasonable anticipation of possible infringement, but rather if eBay continued to supply its services to sellers when it knew or had reason to know of infringement by those sellers.

In the United States, the burden is placed directly on Tiffany to warn eBay of possible infringing uses. Evidence was introduced to show that each time eBay was notified; it promptly and preemptively removed listings. The court concluded: "Tiffany must ultimately bear the burden of protecting its trademark. Policymakers may yet decide that the law as it stands is

¹ Cheung, ASY; Pun, KH (2009). Comparative study on the liability for trade mark infringement of online auction providers, **European Intellectual Property Review**, Vol. 31, No. 11, p. 559.

inadequate to protect the rights of owners in light of the increasing scope of Internet commerce and the concomitant rise in potential trademark infringement. Nevertheless, under the law as it currently stands, it does not matter whether eBay or Tiffany could more efficiently bear the burden of policing the eBay website.” Tiffany v. eBay, 576 F. Supp. 2d 463 (S. D. N.Y., 2008).

On April 1, 2010, the Court of Appeals for the Second Circuit affirmed the claims for trademark infringement. Tiffany v. eBay, 08-3947-cv (2nd Cir., 2010). The Appeals Court wrote “The more difficult issue, is whether eBay is liable of contributory trademark infringement—i.e., for culpably facilitating the infringing conduct of counterfeiting vendors.” The court concluded that Tiffany had failed to demonstrate that eBay was supplying its services to individuals who it knows or had reason to know were selling counterfeit Tiffany goods. The court did make a finding that “eBay appears to concede that it knew as a general matter that counterfeit Tiffany products were listed and sold through its website,” but this general knowledge was not sufficient to trigger liability. The liability appears to trigger only when specific individuals (i.e., sellers or stores) are engaged in the counterfeiting of goods, and can be notified to eBay. An appeal is also pending.

Sub-section two

The situation in France

Louis Vuitton v. eBay [France]

In 2004, luxury brands Dior, Kenzo, Givenchy, Guerlain, Christian Dior Couture, and Louis Vuitton Malletier united against eBay in France and filed a suit in Paris for trademark infringement

and unfair trade practice. The owners of these famous marks argued that the goods sold by eBay were often of questionable origin, and that most high-end products were, in fact, counterfeit goods. These retailers argued that eBay knows that a large portion of the goods are not legitimate, benefits from these sales, and has a duty much like any store owner to actively monitor goods known to be suspect.

On June 30, 2008, the Tribunal de Commerce of Paris delivered a series of decisions sanctioning eBay and awarding these brands over 40 million Euros. Louis Vuitton received the lion's share by collecting over 8 million euros in damages, 10 million euros in punitive damages, and 1 million euros in reparation to moral prejudice. The court ordered eBay to publish the judgment in three nationwide newspapers, and display for three consecutive weeks the judgment on the home page of eBay.fr in both French and English. Finally, the court awarded attorney fees and costs.

In a very harsh opinion, the Court noted that eBay cannot be perceived simply as an Internet service provider or a simple computer platform used by sellers where buyers are left on their own. Much like the famous auction house Hotel Drouot located in Paris, an online auction house has a civil responsibility under French Law for the goods it sells. The court stated that resellers must require that frequent suppliers be registered with the commerce and trade ministry, these sellers must be listed on the union trade charters, and behaviors of sellers should be monitored to ensure only legitimate goods are sold.

The tribunal put the onus on eBay to enforce adequate measures to prevent illicit goods from entering the market. For example, sellers could be asked to provide receipts of purchase or

even certificates of authenticity. EBay could also be made to notify customers when the origin of a good appears doubtful.

As a result of this decision, on the website eBay.fr, a notice is now prominently displayed below the eBay search box that reads, “Counterfeit goods are a plague. Let’s stop it! To know more...”¹.

EBay provides a link that contains information on how to report a counterfeit product, very clear statements that eBay opposes illicit conduct and a guarantee of up to 1,000 euros if the good purchased turns out to be counterfeit. EBay now proactively searches for counterfeits, and tries to eliminate them from the auction list. An appeal of these judgments is pending.

Sub-section three

The situation in Germany

Before the summer of 2008, the German Federal Court (BGH) already had ample opportunities to tackle the issue of counterfeit products sold on online auction sites. As early as in 2004, the Federal Court ruled in *Montres Rolex S.A. v. Ricardo.de AG* that online auction providers were entitled to the exemption under Article 14 of the E-Commerce Directive and that direct liability would not be imposed on them for trademark infringement if the infringing acts were committed by the sellers.

In that case, Ricardo.de had already blocked the sale of Rolex watches that were the subject of complaint, but it refused to implement a mechanism to check all items sold on its site. The Court held that Ricardo.de had no obligation to monitor its site for

¹ <https://www.natlawreview.com/article/internet-merchants-owe-greater-duty-care-to-their-european-clients-louis-vuitton-v-ebay-fran>

infringement. It was only when Ricardo.de had actual notice of possible trademark infringements would it have to remove the items in question.

However, the Court also indicated that the E-Commerce Directive would not bar a plaintiff from applying for injunctive relief in trademark cases. Furthermore, upon receiving actual notice, the online auction provider might be liable for being an “interferer” unless they had employed appropriate measures to filter out similar offers, and used technically possible and reasonable means to avoid similar infringements in the future. What remained uncertain was the extent of the obligation of preventing infringements by “technically possible” and “reasonable” means.

In April 2008, the Federal Court was presented with another opportunity to address the above uncertainty. In *Rolex v. Ricardo.de*, Rolex found on the website of Ricardo.de blatant counterfeit items expressly described as “copy” or imitation products, and sought an injunction against Ricardo.de. After establishing that the sellers of those counterfeit items were acting on a "commercial footing", the Court held that Ricardo.de was liable as an interferer for offering fake Rolex watches on its site, and that Rolex was entitled to an injunction under Sections 14(2) (1) and 14(2) (2) of MarkenG (Trademark Act), and Section 1004 of BGB (Civil Code)¹. As explained by the Federal Court,

¹ German, Trademark Law, Section 14(2) of the Trademark Act reads – “Third parties shall be prohibited from using in the course of trade without the consent of the proprietor of the trademark

1. any sign identical with the trademark in relation to goods or services which are identical with those for which the trademark is protected,
2. any sign where, because of its identity with, or similarity to, the trademark and the identity or similarity of the goods or services covered by the trade- mark and

interferer's liability would be incurred by a person if it had "willfully and adequately made a causal contribution to the infringement of an absolute right". The basis of this liability was breach of an "examination duty" the scope of which depended on the extent to which the alleged interferer could reasonably be expected to perform an examination to prevent infringements.

Sub-section four

The situation in Egypt

The Egyptian legislator did not stand apart from technological development, especially in the field of electronic commerce, with evidence. The law was drafted in 2008 based on Minister of Justice Decree No. 705 of 1999 on electronic commerce¹, but it was not activated and Law No. 82 of 2002 on intellectual property rights and also the working paper presented by the Ministry The Interior (Computer Crime Prevention Department) to the first International Conference on Information Security, which recommends several recommendations to combat cybercrime locally and internationally².

However, these laws are still totally incompatible with the danger of the crime on the individuals, society and the Egyptian

the sign, there exists a likelihood of confusion on the part of the public, which includes the likelihood of the sign and the trademark becoming associated in the mind of the public. English translation of the table of contents of the Trademark Law is at German Trademarks – Applicable Provisions at <http://www.internetmarken.de/markeng.html>.

¹ عرب، يونس (٢٠٠١). موسوعة القانون وتقنية المعلومات. ١ مج. بيروت: إتحاد المصارف العربية.
² الحارثي، الفضل (٢٠٠٥). المؤتمر العلمي: أمن المعلومات الالكترونية. مسقط: بلدية مسقط بالتعاون مع المنظمة العربية للتنمية الادارية التابعة لجامعة الدول العربية. متاح علي <http://www.albayan.ac/econome/2005/12/22>

state in addition to the economic interest compared to the rest of the legislation and the deficiency must be addressed.

Section two

Criticism of the current legal systems

The proper protection and enforcement of trademark rights online still lacks effective, joined-up enforcement measures. In a number of jurisdictions right holders can avail themselves of civil, administrative and criminal remedies, but their efficiency in the future depends on a voluntary, collaborative approach.

Sub-section one

The criticism of the situation in USA

In USA, the decision implies that eBay, to shield itself from contributory trademark liability in the United States, must take action against any individual or store actively infringing the rights of the trademark owner. EBay provides sufficient information as to the seller of goods for owners to document pattern of illegal activity by certain sellers. Notification to eBay should not only include the item number but should also include the sellers' trade name. EBay will have to take action against the seller once pattern has been observed and notified¹.

Sub-section two

The criticism of the situation in France

From the three French decisions, it is clear that the French Court's focus was on what eBay could have and should have done, rather than what eBay had actually done, While the French Court

¹ <https://www.natlawreview.com/article/internet-merchants-owe-greater-duty-care-to-their-european-clients-louis-vuitton-v-ebay-fran>

has rightly pointed out the dual nature of eBay as a host and a broker, the duty it has imposed on eBay under the general system of civil liability is too onerous.

Sub-section three

The criticism of the situation in Germany

Unlike the French ruling which places virtually all responsibilities on the online auction provider and requires it to filter out items based on mere suspicion of infringement (such as the prices asked and the quantities offered) without specific knowledge in Germany : What remained uncertain was the extent of the obligation of preventing infringements by “technically possible” and “reasonable” means.

Court which also found the online auction provider liable, but for reasons different from those of the French Court. According to the German Court, the online auction provider was liable for breach of its examination duties as an "interferer". Such duties required the interferer, after it had been notified of a clear trademark infringement, to promptly remove the objectionable item and ensure that similar trademark infringement would not reoccur. Furthermore, such duties would extend to preventing similar infringements of other brand names of the trademark owner the German decision requires the online auction provider to do far more than just notice-and-takedown. On the other hand, the obligation imposed by the German Court is much less onerous than that imposed by the French Court, which arises even in the absence of notification of infringement and requires the online auction provider to set up a filtering system based on suspicion of infringement without specific knowledge.

Sub-section four

The criticism of the situation in Egypt

There is an argument that there is shortage in the legislations regulating the electronic commerce in Egypt. In contrast, there is other opinion that the Egyptian law depends on the contractual concept in this regards. In addition to that, if there is no legislative text, the judge's ruling can be applied according to the custom. If it does not exist, then it is in accordance with the principles of Islamic Sharia. In absence of them, it will be in accordance to the principles of natural law and the rules of justice.

Thus, the Egyptian law in the field of electronic commerce depends on the contracts which represents the answer to conclusion of what is known as the "basic contract for organizing electronic commercial dealings among merchants, whether they are individuals or companies" who wish to deal in electronic commerce at present and in the future.

This contract is called in England and America "Master Trading Contract". This contract takes the form of the written contract and is concluded among the parties wishing to organize dealing in electronic commerce among them and includes the contractual basis for completing the following electronic deals in time for this basic contract, so this contract will include the terms and provisions of the law regulating contracts in e-commerce. After the conclusion of such a contract, all the following electronic commercial transactions are concluded on the date of their completion among the parties, using the electronic and non-judgmental electronic methods in entering into electronic contracts.

The Egyptian civil law determines that "the contract is the law of the contractors" as well. In the field of evidence, the principle of freedom of proof is the prevailing principle in Egyptian law.

Egypt did not stand in isolation from that development require in the field of technological development in general and e-commerce in particular, and from the legislative point of view, legislation always preparing integrated legislation regulating various aspects of this type of trade was guided by that had been developed by other modern legislation issued by the relevant international bodies or legislation of some countries that had a precedent in this field as before, and therefore the Egyptian legislation needs amendments to keep place with current and future developments, which negates the saying that there is a legislative shortage.

Chapter three

Legal approaches to combat the digital infringement, profit and the unfair competition of trademarks and its relation to service providers

In this chapter, the paper discusses how to achieve the balance between the obligations and responsibilities on both online auction providers and the owners of trademarks whether they are well-known or belong to national small and medium enterprises as the protection of these national SMEs will lead to increase the economic growth and attract foreign investments. And to what extend the civil liability can be applied herein on the online auction providers in cases of trademarks infringement.

Section one

the proper approach to strike a fair balance in allocating responsibilities between the trademark owners and the service providers

This paper reviews the recent decisions on liability of online auction providers for trademark infringement coming from courts in Europe and the US. It is observed that among these decisions, the one that is relatively the fairest in allocating responsibilities between trademark owners and online auction providers is the German decision. But to strike the right balance, it is necessary to supplement the German ruling with an additional measure which compels the online auction providers to play a more active role in combating counterfeiting. This additional measure can be introduced, without incurring much additional cost on the part of the online auction provider, in one of two ways:

(1) By requiring the online auction provider to use a reasonable filtering measure to screen out clearly counterfeit items upon their first listing based simply on their textual descriptions; or

(2) By requiring the online auction provider to, as reasonably practicable as possible, inform the relevant trademark owner whenever a new item is listed, and to remove the item upon notification that it is infringing

Between these two extremes is the German position. As classified by the German Court, an online auction provider is an "interferer" which is subject to an "examination duty" for preventing infringements. To comply with this duty, the online auction provider must, once it is informed of a clear trademark infringement, promptly remove the infringing item from its website and ensure that similar trademark infringements will not reoccur.

This includes preventing repetitions of infringement of the same brand name and, in appropriate cases, preventing also the infringement of other brand names of the trademark owner. In doing so, the online auction provider should use a reasonable prior filtering method plus a possible subsequent manual check. Provided that these reasonable measures are taken, the online auction provider will not be liable for trademark infringements not detectable by these measures.

In relative terms, the German ruling is the fairest in allocating responsibilities between the trademark owners and online auction provider the German decision rightly imposes on the online auction provider a duty, upon notification of a clear trademark infringement, to use reasonable measures – namely, prior filtering plus a possible subsequent manual check – to prevent similar infringements from reoccurring¹. At the same time, the German position also limits the liability of the online auction provider by exempting it from trademark infringements not detectable by such reasonable means².

Section two

The obligations that should be applied on service providers and the application of civil liability

On this context, some found that eBay had failed to fulfill its obligations in the following respects:

(1) To ensure that its business would not generate any illicit actions to the detriment of other economic players;

¹ <http://pages.ebay.com/help/sell/questions/listing-ended.html>.

² <http://pages.ebay.com/help/policies/questions/vero-ended-item.html>

(2) To verify that the sellers who habitually carried out numerous transactions on its site were duly registered with the competent authorities;

(3) To monitor its site to remove advertisements relating to "quite obviously" infringing items, either through the captions (such as "a fine imitation of a famous Louis Vuitton design") or simply on the basis of the prices asked and the quantities offered; and

(4) To set up efficient and appropriate means to combat infringement.

On the last point, the Court specifically suggested that eBay should have done the following:

(1) obliged the sellers to provide upon request, a purchase invoice or a certificate of authenticity of the products put on sale;

(2) Punished any seller of counterfeit merchandise by terminating its account as soon as the breach was ascertained; and

(3) Immediately withdrew any illicit advertisements notified by the trademark owners.

The application of civil liability: From the three French decisions which is compatible with Egyptian perspective which concern to the principle of personality, it is clear that the French Court's focus was on what service auction provider (eBay) could have and should have done, rather than what eBay had actually done, While the French Court has rightly pointed out the dual nature of eBay as a host and a broker, the duty it has imposed on eBay under the general system of civil liability is too onerous. Even

on the mere basis of the prices asked and the quantities offered, eBay is expected to remove the advertisements and block the transactions. This, in effect, is demanding a filtering system based on suspicion of infringement without specific knowledge. Such an approach is overly harsh on the online auction providers and too protective of the trademark owners. As will be seen below, this is what the U.S. Court has described as shifting the burden of monitoring to the online auction provider merely for "reasonable anticipation" of illegality based on "generalized knowledge", and which the US Court has firmly rejected.

Chapter four

Conclusion and recommendation

The proper protection and enforcement of trademark rights online still lacks effective, joined-up enforcement measures. In a number of jurisdictions right holders can avail themselves of civil, administrative and criminal remedies, but their efficiency in the future depends on a voluntary, collaborative approach. Online trademark counterfeits are international by nature. Consequently, the existing international cooperation mechanisms, such as cooperation through mutual legal assistance agreements or international arrest or evidence warrants, are lengthy processes and inadequate to respond to large volume, high speed and anonymous online counterfeit activities.

The protection of trademark owners against counterfeit that may occur online is very important not only for the owners of well-known trademarks and luxury products, but also for the owners of trademarks in small and medium enterprises (SMEs). Protection of trademark owners will lead to attract foreign investment, stimulate

national industries, and create a protected intellectual environment that allows them to compete and maximize the growth of national economy by integrating the gains of electronic commerce and stimulating the national market for competition and the tax system for online auction providers.

In Egypt, there is a need to activate the rules and policies of the trade protection program and electronic commercial transactions. In addition, it is important to develop the communication and information technology in Egypt and merge it with modern legislation to achieve safe electronic commerce environment. In this regards, customs and all the competent authorities should work together in homogeneity to be an executive regulatory control center for electronic commerce and a secure umbrella for intellectual property rights for both national and foreigner merchants as well.

In order to achieve this and protect the trademark owners online, there are many recommendations that constitute obligations on service auction providers. These obligations are as follows:

1- Monitor its site to remove advertisements relating to "quite obviously" infringing items, either through the captions (such as "a fine imitation of a famous Louis Vuitton design") or simply on the basis of the prices asked and the quantities offered;

2- Set up efficient and appropriate means to combat infringement;

3- Obligate the sellers to provide upon request, a purchase invoice or a certificate of authenticity of the products put on sale;

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- 4- Punished any seller of counterfeit merchandise by terminating its account as soon as the breach was ascertained; and
 - 5- Immediately withdrew any illicit advertisements notified by the trademark owners;
 - 6- Remove counterfeit items expressly described as “copy” or imitation products sellers of those counterfeit items;
 - 7- Perform an examination to prevent infringements;
 - 8- Promptly block the respective offer and ensure that whenever possible, once an online auction provider was informed of a clear trademark infringement;
 - 9- Prevent the repetitions of infringement of the same brand name and, in appropriate cases, prevent the infringements of other brand names of the trademark owner as well;

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