

Case C-367/21

Summary of the request for a preliminary ruling pursuant to Article 98(1) of the Rules of Procedure of the Court of Justice

Date lodged:

14 June 2021

Referring court:

Sąd Okręgowy w Warszawie (Regional Court in Warsaw, Poland)

Date of the decision to refer:

1 April 2021

Applicant:

Hewlett Packard Development Company LP

Defendant:

Senetic Spółka Akcyjna

Subject matter of the case in the main proceedings

Claims for infringement of exclusive rights to EU trade marks

Subject matter and legal basis of the reference

Interpretation of Article 15(1) of Regulation 2017/1001, read in conjunction with the second sentence of Article 19(1) TEU and in conjunction with the second sentence of Article 36 TFEU, in the context of the compatibility with those provisions of the case-law of national courts in cases concerning infringement of EU trade marks. Interpretation of Articles 34 to 36 TFEU, read in conjunction with Articles 9 and 102 of Regulation No 207/2009 (now Articles 9 and 130 of Regulation 2017/1001), in the context of the exercise of an exclusive trade mark right to restrict an economic activity consisting in parallel importation. Legal basis: Article 267 TFEU

Questions referred

I. Must the second sentence of Article 36 TFEU, read in conjunction with Article 15(1) of Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark, and in conjunction with the second sentence of Article 19(1) of the Treaty on European Union, be interpreted as precluding the practice of the national courts of the Member States, which is that the courts

- when upholding claims by right holders to prohibit the importation, exportation and advertising of goods bearing the EU trade mark or to order their withdrawal from the market;
- when ruling, in proceedings to secure claims, on the seizure of goods bearing the EU trade mark,

refer in their rulings to ‘goods which have not been put on the market within the European Economic Area by the right holder or with his consent’, with the result that it is left to the enforcement authority, in view of the general wording of the ruling, to determine which items bearing the EU trade mark are subject to the injunctions and prohibitions granted (that is to say, which items have not been put on the market within the European Economic Area by the right holder or with his consent) [and the authority relies, in making the findings set out, on statements of the right holder or tools supplied by him (including IT tools and databases)], while the possibility of challenging the aforementioned findings of the enforcement authority before a court in declaratory proceedings is excluded or limited by the nature of the legal remedies available to the defendant in proceedings to secure claims and in enforcement proceedings?

II. Must Articles 34, 35 and 36 of the Treaty on the Functioning of the European Union be interpreted as precluding the holder of the registration of a Community (now EU) trade mark from relying on the protection provided for in Articles 9 and 102 of Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (now Articles 9 and 130 of Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark) in a situation where:

- the holder of the registration of the Community (EU) trade mark distributes, within and outside the European Economic Area, goods bearing that mark through authorised distributors, who may resell the goods bearing the trade mark to persons who are not the final recipients of those goods, belonging exclusively to the official distribution network – and at the same the authorised distributors are required to purchase the goods only from other authorised distributors or from the right holder;
- the goods bearing the trade mark have no other markings or distinctive characteristics which would make it possible to determine where they have been put on the market by the right holder or with his consent;

- the defendant acquired the goods bearing the mark in the European Economic Area;
- the defendant collected statements from the sellers of goods bearing the mark to the effect that they may be marketed, in accordance with the law, in the European Economic Area;
- the holder of the registration of the EU trade mark does not provide any IT tool (or other tool) or use a system of markings – which enables the potential purchasers of the goods bearing the mark to verify independently the legality of marketing those goods in the European Economic Area before purchasing them – and refuses to carry out such verification at the purchaser’s request?

Provisions of EU law relied on

Article 15(1) of Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ 2017 L 154, p. 1)

Articles 9 and 102 of Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1) [now Articles 9 and 130 of Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark]

Articles 34, 35 and 36 of the Functioning of the European Union (TFEU)

Second sentence of Article 19(1) of the Treaty on European Union (TEU)

Article 8 of Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights (OJ 2004 L 157, p. 45)

Provisions of national law relied on

Ustawa z dnia 17 listopada 1964 r. – Kodeks postępowania cywilnego (Law of 17 November 1964 – Code of Civil Procedure, consolidated text: Dziennik Ustaw [Journal of Laws] of 2019, item 1640, as amended, ‘the CCP’) – Article 325, Article 758, Article 759(1), Article 767(1), (2), (4) and (5), Article 777(1)(1), Article 803, Article 840(1)(1) and (2), Article 843(2) and (3), Article 1050(1) and (3) and Article 1051(1)

Succinct presentation of the facts and procedure in the main proceedings

- 1 Hewlett-Packard Development Company LP, based in Houston (United States), which is the applicant in the main proceedings, is the holder of exclusive rights to the EU trade marks registered under numbers 008579021 and 000052449.

- 2 The applicant uses a distribution system for its products in which: (1) its goods bearing trade marks are sold by authorised agents; (2) the agents give an undertaking to the applicant that they will not sell goods bearing its trade marks to persons – who are not the end users of those goods – other than persons belonging to the applicant's distribution network, and (3) the authorised distributors are required to purchase the goods only from other authorised distributors or from the right holder (the applicant).
- 3 The applicant does not use a marking system for its goods which would make it possible to identify whether or not the product concerned was intended by the applicant for the European Economic Area (EEA) market. Determination of the market for which the goods bearing the trade marks was intended requires the use of an IT tool at the applicant's disposal which includes a database on the goods, including the designation of the market for which a specific item was intended.
- 4 Senetic SA, based in Katowice (Poland), which is the defendant in the main proceedings, engages in the business of computer equipment distribution. The defendant put on the Polish market goods produced by the applicant and marked by it with its EU trade marks. The defendant purchased the indicated goods from sellers (based in the EEA) other than the official distributors of the applicant's products, and prior to purchasing the goods requested from its contracting partners, and received, a statement to the effect that marketing the goods in the EEA does not infringe the applicant's exclusive rights.
- 5 Prior to purchasing the goods from its contractual partners, the applicant asked the applicant's authorised agents for confirmation that the goods concerned could be marketed in the EEA without prejudice to the applicant's exclusive rights, but received no response. Neither the applicant nor the applicant's authorised agents provided the defendant with the tools (including the IT tools) which make it possible to verify the intended destination of the item concerned, whilst the authorised agents of other undertakings (producers of computer equipment) do enable the defendant to carry out such verification.
- 6 The defendant received assurances from its sellers that putting the goods concerned on the Polish market does not infringe the applicant's exclusive rights to the EU trade marks in view of the exhaustion of those rights as a result of the goods bearing EU trade marks having been previously placed on the market in the EEA by the applicant or with his consent.
- 7 The applicant claims that the referring court should prohibit the defendant from infringing its EU trade mark rights by prohibiting the importation, exportation, advertising and storage of goods consisting of computer equipment which bear even one of the applicant's EU trade marks and have not been previously put on the market in the EEA by the applicant or with his consent. In addition, the applicant claims that the court should order the defendant to withdraw those goods from the market.

Succinct presentation of the reasons for the reference

- 8 It is very difficult for a defendant to prove in the context of litigation that a particular item was put on the market in the EEA by the applicant or with his consent. Although the defendant may approach his seller, he will not be able to obtain information from whom the items in question were purchased, as sellers do not want to disclose their sources of supply so as not to lose buyers.
- 9 As regards the first question referred for a preliminary ruling, the referring court notes that in the practice of the Polish courts, the wording ‘goods bearing the applicant’s trade marks which have not previously been put on the market within the [EEA] by the applicant (the holder of rights under the EU trade mark) or with his consent’ is used in the operative parts of rulings upholding applicants’ claims in cases such as the one before the referring court. Court rulings ordering the disclosure of information on the origin and distribution networks of the goods concerned under national legislation implementing Article 8 of Directive 2004/48, and ordering provisional measures, for instance the seizure of such goods, are also drafted in a similar manner.
- 10 All the aforementioned rulings, as writs of enforcement, constitute the basis for enforcement action. In practice, this manner of drafting rulings gives rise to serious doubts when those rulings are enforced.
- 11 In the present case, a ruling was given in which the referring court ordered the defendant to provide information on the distribution networks of the devices in the defendant’s possession bearing the applicant’s EU trade marks which had not been introduced into the EEA by the applicant or with his consent. In an order interpreting that ruling, the court ordered the defendant to provide the bailiff with all the serial numbers of the indicated devices and ordered the applicant to make available to the bailiff a database by means of which the bailiff was to verify whether a certain item had been put on the market within the EEA by the applicant or with his consent. That ruling was amended by an order of the Sąd Apelacyjny w Warszawie (Court of Appeal, Warsaw, Poland), which held that the wording of the ruling, which included the phrase ‘goods which have not been put on the market within the [EEA] by the applicant with his consent’, in effect left it to the defendant to assess which devices in the defendant’s possession had been put on the market within the EEA by the applicant or with his consent. Consequently, the defendant was entitled to respond to the applicant that it did not have in its possession any goods covered by the indicated phrase.
- 12 In other proceedings, an injunction granted prior to the commencement of the main proceedings before the referring court was enforced by way of the applicant seizing all the goods bearing its trade marks which were in the defendant’s possession. Ultimately, the applicant identified to the enforcement authority those items which had been introduced into the EEA by the applicant, that is to say, in respect of which the exclusive right under the trade mark had been exhausted. Thus, the content of the court’s ruling was supplemented by the applicant’s

statement at the enforcement stage, since the content of the court's ruling did not in itself make it possible to determine the items that should be seized, and the enforcement authority relied in effect on the creditor's statement.

- 13 Thus, the manner in which rulings are drafted leads to radically different enforcement practices, ranging from enforcement against all items bearing the applicant's trade marks which are in the defendant's possession (irrespective of whether the applicant's right under the trade mark has been exhausted in relation to those items) to refusing to grant the applicant legal protection and leaving it to the defendant to assess which items bearing the applicant's trade mark in the defendant's possession have been put on the market within the EEA by the applicant or with his consent. At the same time, this way of drafting rulings raises doubts from the point of view of national law, as court decisions on parties' claims should be formulated in such a manner as to enable the decisions to be implemented on the basis of the content of the operative part alone, without the need to refer to the grounds of the ruling or to take further steps. In the view of the referring court, the inclusion in rulings of prohibitions or orders which contain the wording in question means, in essence, that the court's ruling reproduces the wording of the legal provisions on which it is based, but does not give concrete expression to the obligation arising from those provisions for a party to the proceedings.
- 14 In the view of the referring court, acceptance of this practice allows situations where, on the basis of a ruling by a national court of a Member State, goods will be seized whose free movement within the EEA is lawful and, moreover, such a seizure will occur despite the absence of an infringement of the exclusive right conferred by the trade mark. Thus, this practice essentially implies that a sanction could be imposed on the defendant (in the form of seizure of the goods in his possession) merely because the defendant deals in goods bearing the applicant's trade mark without the applicant's consent, even though such consent is not required due to the exhaustion of rights.
- 15 Under the second sentence of Article 19(1) TEU, Member States are to provide remedies sufficient to ensure effective legal protection in the fields covered by Union law. Such fields include the free movement of goods as well as the exhaustion of rights to an EU trade mark, which is a concept supporting that free movement. The exhaustion of rights is regional in nature and its purpose is to ensure the free movement within the EEA of items bearing a trade mark which have been put on the market in the designated area by the right holder or with his consent.
- 16 According to the referring court, there are doubts as to whether, in view of the aforementioned wording of court rulings, judicial protection of the free movement of goods is ensured in cases concerning the protection of an EU trade mark. The source of doubt is the system of remedies existing under national law to which the debtor is entitled in enforcement proceedings against writs of enforcement (court rulings) issued in cases of infringement of an exclusive right to an EU trade mark.

Those remedies, their basic characteristics and the practice of their application are described below.

- 17 A temporary injunction (securing a claim by way of seizure of items) is enforceable by a bailiff. Where a bailiff seizes goods, the debtor (defendant) has the right to lodge a complaint concerning the bailiff's actions with a district court (that is to say, such complaints are not examined by intellectual property divisions of regional courts). A complaint concerning a bailiff's actions is a legal remedy aimed at remedying irregularities in the bailiff's actions consisting in enforcement proceedings being conducted in a manner contrary to the rules of civil procedure. It is therefore not a remedy which would allow the substantive grounds of the creditor's claim to be verified. As a result, where a complaint is lodged against a bailiff's actions, this does not make it possible to determine whether the item in question has been introduced into the EEA by the right holder or with his consent.
- 18 The ineffectiveness of this remedy in situations where the right holder seizes all goods bearing the EU trade mark (and not only those which have not been previously put on the market within the EEA by the right holder or with his consent) is also confirmed by practice. For example, in one such case, after hearing the defendant's complaint against a bailiff's actions, the court instructed the bailiff concerned to consult a patent lawyer. In his written opinion, the patent lawyer indicated that only the applicant (the right holder) could indicate which items should be subject to seizure. In practice, therefore, it is the right holder (in cooperation with the bailiff) who freely indicates the items that should be subject to seizure, and his statement is not subject to verification by a court, since a complaint against a bailiff's actions does not allow for such verification.
- 19 Similar doubts arise at the stage of enforcement of a judgment prohibiting the defendant from importing, exporting, advertising and storing the goods bearing the applicant's trade mark which have not previously been put on the market within the EEA by the applicant or with his consent. Such a judgment is subject to enforcement by the court as the enforcement authority under Article 1051 of the CCP, which provides that the court, at the creditor's request, after hearing the parties and finding that the debtor has failed to comply with his obligations, imposes a fine on the debtor. This provision expressly provides only for the parties to be heard and not for the court to take evidence. Hence in enforcement proceedings the court as the enforcement authority determines whether the goods in question are subject to the prohibition solely on the basis of the parties' statements made at the hearing.
- 20 Even if the court, as the enforcement authority, were entitled to take evidence in this respect, it would have to rely exclusively on the evidence presented by the creditor (that is, the IT tools used by the creditor) and the statements made on that basis, since the identification by the defendant of successive sellers and buyers of the items in question will encounter the same difficulties in enforcement proceedings as in declaratory proceedings (see paragraph 8 above).

- 21 The same considerations apply to the enforcement of a judgment ordering the withdrawal from the market of the items in question. In this case, enforcement proceedings are conducted by the court pursuant to Article 1050 of the CCP, which, unlike Article 1051 of the CCP, does not require the enforcement court to find that the debtor has not complied with the court's ruling. As a consequence, the pleas raised by the debtor with respect to the performance of the obligation covered by the writ of enforcement are not examined, which means that the debtor is not able to defend itself with the plea that the exclusive right conferred by the EU trade mark has been exhausted with regard to the indicated items.
- 22 In the view of the referring court, the debtor's right to lodge an objection to enforcement is also excluded in this situation. Conditions for lodging such an objection include, inter alia, the occurrence of an event as a result of which an obligation established by a judgment is extinguished or may no longer be enforced, and in certain cases the performance of an obligation and a plea of set-off. On the other hand, an objection to enforcement cannot be used to clarify the content of the judgment which constitutes the writ of enforcement. Otherwise, the lodging of such an objection would result in declaratory proceedings being initiated once again.
- 23 Moreover, the requirements for the debtor in connection with the lodging of an objection to enforcement are important here. When bringing an action for enforcement, the debtor should set out all the pleas it intends to raise, on pain of losing the right to raise them later in the proceedings. In a situation in which all determinations as to the goods in question are possible on the basis of the evidence and tools at the exclusive disposal of the right holder (creditor), this requirement constitutes a significant obstacle for the debtor, because at the stage of bringing an action for enforcement, the debtor is not in a position to indicate which items subject to enforcement are affected by the plea of exhaustion of the right under the trade mark.
- 24 Consequently, in view of the legal remedies available, enforcement proceedings or proceedings to secure claims relating to the injunctions or prohibitions in question do not provide instruments which would eliminate the risk of those injunctions or prohibitions being applied to items in respect of which the exclusive right conferred by the trade mark has been exhausted. This means that the judicial protection of the free movement of goods may be limited by the aforementioned manner in which rulings are drafted.
- 25 This risk could be removed by drafting the judgments in a precise manner so that it is not necessary to determine in the course of enforcement proceedings which items in the debtor's possession bearing the creditor's trade mark have not been put on the market within the EEA by the right holder or with his consent. This could be ensured by a precise reference in the ruling to, for instance, the markings or serial numbers of the items bearing the trade marks to which the prohibitions or injunctions apply and items from which the marks or serial numbers have been removed. With regard to the goods in the defendant's possession as at the date of

the ruling, formulation of the claim (and consequently of the court's judgment) in this manner should not present any difficulties. Additionally, in relation to goods bearing the applicant's trade mark which come into the defendant's possession after the date of the ruling, the protection of the free movement of goods would also require that they can be unambiguously identified as introduced (or not introduced) into the EEA by the right holder or with his consent.

- 26 With regard to the second question referred for a preliminary ruling, the referring court notes that the TFEU lays down the principle of the free movement of goods, which is a condition necessary for the establishment and functioning of the common market. In the light of Articles 34 to 36 TFEU and the case-law of the Court of Justice, any measures laid down in the legislation of the Member States which are capable of hindering, directly or indirectly, actually or potentially, intra-Union trade are prohibited. According to the case-law of the Court of Justice, the mere fact that an importer is deterred from introducing or marketing the goods in the Member State concerned amounts to a hindrance to the free movement of goods.
- 27 At the same time, the Court of Justice notes in its case-law that the protection of exclusive intellectual property rights (including trade marks) is not absolute. On the one hand, it is limited to a situation in which the use of a mark by a person other than the right holder adversely affects the functions of that mark. On the other hand, the exercise of exclusive rights is subject to a balance being struck between those rights and the protection of the freedoms of the internal market (including the free movement of goods).
- 28 In a situation such as that at issue in the present case – characterised by the circumstances detailed in the second question – doubts arise as to whether the exclusive trade mark right is used to restrict economic activity consisting in parallel importation.
- 29 In the light of the foregoing, the referring court is uncertain whether, in the circumstances described, it is possible to apply the reversed burden of proof, set out in the judgment of 8 April 2003, *Van Doren + Q*, C-244/00, EU:C:2003:204, which related expressly to an exclusive distribution system, or whether it is necessary to consider the inability of the holder of rights under the EU trade mark to rely on the protection provided for in Articles 9 and 102 of Regulation No 207/2009 (now Articles 9 and 130 of Regulation 2017/1001).