Case C-348/04

Boehringer Ingelheim KG and Others

v

Swingward Ltd and Others

(Reference for a preliminary ruling
from the Court of Appeal (England and Wales) (Civil Division))

(Industrial and commercial property — Trade mark rights — Pharmaceutical products — Parallel imports — Repackaging of the product bearing the trade mark)

Opinion of Advocate General Sharpston delivered on 6 April 2006 . . . . . I - 3397
Judgment of the Court (Second Chamber), 26 April 2007 . . . . . I - 3430

Summary of the Judgment

1. *Approximation of laws — Trade marks — Directive 89/104 — Parallel imports of pharmaceutical products after overstickering*
(Art. 30 EC; Council Directive 89/104, Art. 7(2))

2. *Approximation of laws — Trade marks — Directive 89/104 — Parallel imports of pharmaceutical products after repackaging and reaffixing the trade mark*
(Council Directive 89/104, Art. 7(2))

3. *Approximation of laws — Trade marks — Directive 89/104 — Parallel imports of pharmaceutical products after repackaging and reaffixing the trade mark*
(Council Directive 89/104, Art. 7(2))

4. *Approximation of laws — Trade marks — Directive 89/104 — Parallel imports of pharmaceutical products after repackaging and reaffixing the trade mark*
(Art. 30 EC; Council Directive 89/104, Art. 7(2))

5. *Approximation of laws — Trade marks — Directive 89/104 — Parallel imports of pharmaceutical products after repackaging and reaffixing the trade mark*
(Council Directive 89/104, Art. 7(2))

1. Article 7(2) of First Directive 89/104 relating to trade marks must be construed as meaning that the proprietor may legitimately oppose further commercialisation of a pharmaceutical product imported from another Member State in its original internal and external packaging with an additional external label applied by the importer, unless the following conditions have been fulfilled:

— it is established that reliance on trade mark rights by the proprietor in order to oppose the marketing of the overstickered product under that trade mark would contribute to the artificial partitioning of the markets between Member States;

— it is shown that the new label cannot affect the original condition of the product inside the packaging;

— the packaging clearly states who overstickered the product and the name of the manufacturer;

— the presentation of the overstickered product is not such as to be liable to damage the reputation of the trade mark and of its proprietor; thus, the label must not be defective, of poor quality, or untidy; and

— the importer gives notice to the trade mark proprietor before the overstickered product is put on sale, and, on demand, supplies him with a specimen of that product.

(see para. 39, operative part 2)

The change brought about by any new carton or relabelling of a trade-marked medicinal product creates by its very nature real risks for the guarantee of origin which the mark seeks to protect. Such a change may thus be prohibited by the trade mark proprietor unless the new carton or relabelling is necessary in order to enable the marketing of the products imported in parallel and the legitimate interests of the proprietor are also safeguarded.

(see paras 30, 32, operative part 1)

2. The condition that the repackaging of the pharmaceutical product, either by reboxing the product and re-applying the trade mark or by applying a label to the packaging containing the product, be necessary for its further commercialisation in the importing Member State, as one of the conditions which, if fulfilled, prevent the proprietor under Article 7(2) of First Directive 89/104 relating to trade marks from opposing such commercialisation, is directed solely at the fact of repackaging and not at the manner and style of the repackaging.

3. Article 7(2) of First Directive 89/104 relating to trade marks must be interpreted as meaning that the trade mark proprietor may legitimately oppose further commercialisation of a pharmaceutical product, when the parallel importer has either re-boxed the product and re-applied the trade mark or applied a label to the packaging containing the product, unless five conditions have been fulfilled, including the condition that the presentation of the repackaged product must not be such as to be liable to damage the reputation of the trade mark and of its proprietor. Thus, the carton or the label must not be

defective, of poor quality, or untidy. That condition is not limited only to cases where the repackaging is defective, of poor quality, or untidy. A repackaged pharmaceutical product could be presented inappropriately and, therefore, damage the trade mark's reputation in particular where the carton or label, while not being defective, of poor quality or untidy, are such as to affect the trade mark's value by detracting from the image of reliability and quality attaching to such a product and the confidence it is capable of inspiring in the public concerned.

In that regard, the question whether the fact that a parallel importer:

— fails to affix the trade mark to the new exterior carton ('de-branding'), or

— applies either his own logo or a house-style or a get-up or a get-up used for a number of different products ('co-branding'), or

— positions the additional label so as wholly or partially to obscure the proprietor's trade mark, or

— fails to state on the additional label that the trade mark in question belongs to the proprietor, or

— prints the name of the parallel importer in capital letters,

is liable to damage the trade mark's reputation is a question of fact for the national court to decide in the light of the circumstances of each case.

(see paras 40, 43, 44, 47, operative part 3, 4)

4. In disputes between manufacturers of pharmaceutical products, on the one hand, and parallel importers and dealers in pharmaceutical products on the other, against which the manufacturers have brought actions for infringement of their trade mark rights on the ground that medicinal products manufactured by them were the subject of parallel importation and marketed in a Member State by the importers after being repackaged and relabelled, it is for the parallel importers to prove the existence of the conditions that:

— reliance on trade mark rights by the proprietor in order to oppose the marketing of repackaged products under that trade mark would contribute to the artificial partitioning of the markets between Member States;

— the repackaging cannot affect the original condition of the product inside the packaging;

— the new packaging clearly states who repackaged the product and the name of the manufacturer;

— the presentation of the repackaged product is not such as to be liable to damage the reputation of the trade mark and of its proprietor; thus, the repackaging must not be defective, of poor quality, or untidy;

— the importer must give notice to the trade mark proprietor before the repackaged product is put on sale and, on demand, supply him with a specimen of the repackaged product,

and which, if fulfilled, would prevent the proprietor from lawfully opposing the further commercialisation of a repackaged pharmaceutical product.

As regards the condition that it must be shown that the repackaging cannot affect the original condition of the

product inside the packaging, it is sufficient, however, that the parallel importer furnishes evidence that leads to the reasonable presumption that that condition has been fulfilled. This applies a fortiori also to the condition that the presentation of the repackaged product must not be such as to be liable to damage the reputation of the trade mark and of its proprietor. Where the importer furnishes such initial evidence that the latter condition has been fulfilled, it will then be for the proprietor of the trade mark, who is best placed to assess whether the repackaging is liable to damage his reputation and that of the trade mark, to prove that they have been damaged.

(see paras 48, 54, operative part 5)

5. Where a parallel importer has failed to give prior notice to the trade mark proprietor concerning a repackaged pharmaceutical product, he infringes that proprietor's rights on the occasion of any subsequent importation of that product, so long as he has not given the proprietor such notice. The sanction for that infringement must be not only proportionate, but also sufficiently effective and a sufficient deterrent to ensure that First Directive 89/104 in relation to trade marks is fully effective. A national measure under which, in the case of such an infringement, the trade mark proprietor is entitled to claim financial remedies on the same basis as if the goods had been spurious, is not in itself contrary to the principle of proportionality. It is for the national court, however, to determine the amount of the financial remedies according to the circumstances of each case, in the light in particular of the extent of damage to the trade mark proprietor caused by the parallel importer's infringement and in accordance with the principle of proportionality.

(see para. 64, operative part 6)