European Court of Justice, 3 December 1981, Pfizer v Eurium Pharm

VIBRAMYCIN®

TRADEMARK LAW – PHARMACEUTICAL LAW – FREE MOVEMENT OF GOODS

Trade mark lawfully affixed to a product in a member state - re-packaging by a third party and importation into another member state

- **Replacing the external wrapping without touching the internal packaging and made the trade mark affixed by the manufacturer to the internal packaging visible through the new external wrapping at the same time clearly indicating on the external wrapping that the product was manufactured by the subsidiary of the proprietor and re-packaged by the importer.**

Article 36 of the treaty must be interpreted as meaning that the proprietor of a trade-mark right may not rely on that right in order to prevent an importer from marketing a pharmaceutical product manufactured in another member state by the subsidiary of the proprietor and bearing the latter's trade mark with his consent, where the importer, in re-packaging the product, confined himself to replacing the external wrapping without touching the internal packaging and made the trade mark affixed by the manufacturer to the internal packaging visible through the new external wrapping at the same time clearly indicating on the external wrapping that the product was manufactured by the subsidiary of the proprietor and re-packaged by the importer.

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European Court of Justice, 3 December 1981

IN CASE 1/81

Reference to the court under article 177 of the EEC treaty by the Landgericht (regional court) Hamburg for a preliminary ruling in the action pending before that court between

Pfizer Inc., New York, USA,

And

Eurim-Pharm GMBH, Piding/Bad Reichenhall, Federal Republic of Germany,

Subject of the case

On the interpretation of article 36 of the EEC treaty,

Grounds

1 By order of 5 november 1980, which was received at the court on 7 january 1981, the Landgericht (regional court) Hamburg referred to the court for a preliminary ruling two questions on the interpretation of article 36 of the treaty.

2 The questions were raised in connection with proceedings between two undertakings in the pharmaceuticals sector, one of which, the plaintiff in the main proceedings (hereinafter referred to as "Pfizer"), the proprietor of a certain trade mark in serveral member states, seeks to prevent the other, the defendant in the main proceedings (hereinafter referred to as "Eurim-Pharm"), which has purchased a product with that trade mark put into circulation in one member state, from distributing it in another member state after re-packaging it.

3 The product in question, a wide-spectrum antibiotic called "vibramycin", is marketed in the federal republic of Germany by the German subsidiary of Pfizer and is protected by a registered mark of which Pfizer is the proprietor. The British subsidiary of Pfizer manufactures the same product and markets it, in different packagings, at prices considerably lower than those applied in the Federal Republic of Germany.

4 After informing Pfizer of its intentions, Eurim-Pharm marketed in the Federal Republic of Germany the vibramycin purchased in the United Kingdom in original packagings containing 50 capsules sealed in groups of five into blister strips bearing the words "vibramycin Pfizer" on the sheets incorporated in the strips. With a view to marketing the product in the Federal Republic of Germany, Eurim-Pharm enclosed each blister strip in a folding box designed by it, without altering the strip or its contents. On the front side of the box is an opening covered with transparent material through which are visible the words "vibramycin Pfizer" appearing on the sheet incorporated in the original strips. On the back of the box the following wording has been affixed:

"wide-spectrum antibiotic

- manufacturer: Pfizer Ltd., Sandwich, Kent, GB
- importer: Eurim-Pharm GMBH, wholesalers of pharmaceutical products, 8229 Piding; packaged by the importer: Eurim-Pharm GMBH, 8229 Piding"

The importer inserted a leaflet in the box containing information relating to the medicinal product, in accordance with the provisions of German law.

5 In its order making the reference, the landgericht held that the operation carried out by Eurim-Pharm constituted an infringement of Pfizer's rights under German trade-mark law. However, in view of the fact that at an earlier stage of the proceedings in the same case the higher court had taken the view that in the circumstances exercise of the trade-mark right was precluded by articles 30 and 36 of the treaty, the Landgericht submitted the following two questions for a preliminary ruling :

"1. Is the proprietor of a trade mark protected in his favour in member state a entitled under article 36 of the EEC treaty, in reliance upon this right, to prevent an importer from buying from a subsidiary undertaking of the proprietor of the trade mark medicinal preparations to which the proprietor's trade mark has been lawfully affixed with his consent in member state B of the community and which have been placed on the market under that trade mark, from re-packaging those products in accordance with the different practices of doctors in prescribing medicaments prevailing in member state a and from placing those products on the market in member state a in an outer packaging designed by the importer on the reverse side of which there is a transparent window through which is visible

the label of the proprietor of the trade mark which is on the reverse side of the blister strip directly surrounding the product?
2. Is it sufficient, for the purpose of establishing that there is an unlawful restriction on trade as envisaged by the second sentence of article 36 of the EEC treaty, for the use of the national trade-mark right in connection with the marketing system adopted by the proprietor of the trade mark objectively to lead to a partitioning of the markets between member states, or is it necessary on the contrary, for it to be shown that the proprietor of the trade mark exercises his trade-mark right in connection with the marketing system which he employs with the ultimate objective of bringing about an artificial partitioning of the markets?"

First question

6 It should in the first place be borne in mind that, according to the case-law of the court, as evinced in particular in **the judgment of 23 May 1978 (case 102/77 Hoffmann-La Roche v Centrafarm (1978) ECR 1139)**, although the treaty does not affect the existence of the rights recognized by the legislation of a member state in the fields of industrial and commercial property, the exercise of those rights may nevertheless, depending on the circumstances, be subject to the prohibitions contained in the treaty. Inasmuch as it creates an exception to the fundamental principle of free movement of goods in the common market, article 36 in fact permits derogations from that principle only to the extent to which they are justified for the purpose of safeguarding the rights which constitute the specific subject-matter of that property.

7 The specific subject-matter of the trade-mark right is in particular to guarantee to the proprietor that he has the exclusive right to use that trade mark for the purpose of putting a product into circulation for the first time and therefore to protect him against competitors wishing to take advantage of the status and reputation of the trade mark by selling products illegally bearing that trade mark.

8 In order to answer the question whether that exclusive right involves the right to prevent the trade mark from being affixed by a third person after the product has been re-packaged, regard must be had to the essential function of the trade mark, which is to guarantee the identity of the origin of the trade-marked product to the consumer or final user by enabling him to distinguish without any possibility of confusion between that product and products which have another origin. This guarantee of origin means that the consumer or final user may be certain that a trade-marked product which is offered to him has not been subject at a previous stage in the marketing process to interference by a third person, without the authorization of the proprietor of the trade mark, affecting the original condition of the product.

9 In consequence, the right attributed to the proprietor of the trade mark enabling him to prevent any use thereof which is likely to impair the guarantee of origin as defined above, is therefore part of the specific subject-matter of the trade-mark right.

10 No use of the trade mark in a manner liable to impair the guarantee of origin takes place in a case such as the one in point where, according to the findings of the national court and the terms of the question submitted by it, a parallel importer has re-packaged a pharmaceutical product merely by replacing the outer wrapping without touching the internal packaging and by making the trade mark affixed by the manufacturer on the internal packaging visible through the new external wrapping.

11 In such circumstances the re-packaging in fact involves no risk of exposing the product to interference or influences which might affect its original condition and the consumer or final user of the product is not liable to be misled as to the origin of the product, above all where, as in this case, the parallel importer has clearly indicated on the external wrapping that the product was manufactured by a subsidiary of the proprietor of the trade mark and has been re-packaged by the importer.

12 The fact that the parallel importer inserted in the external packaging a leaflet containing information relating to the medicinal product - a fact which is not even mentioned in the question submitted - does not affect this conclusion.

13 The answer to the first question should therefore be that article 36 of the treaty must be interpreted as meaning that the proprietor of a trade-mark right may not rely on that right in order to prevent an importer from marketing a pharmaceutical product manufactured in another member state by the subsidiary of the proprietor and bearing the latter's trade mark with his consent, where the importer, in re-packaging the product, confined himself to replacing the external wrapping without touching the internal packaging and made the trade mark affixed by the manufacturer to the internal packaging visible through the new external wrapping, at the same time clearly indicating on the external wrapping that the product is manufactured by the subsidiary of the proprietor and re-packaged by the importer.

Second question

14 As a result of the answer given to the first question an answer to the second question is no longer necessary to enable the national court to decide the case before it.

Costs

15 The costs incurred by the government of the Federal Republic of Germany and by the commission of the European Communities, which have submitted observations to the court, are not recoverable. As these proceedings are, in so far as the parties to the main proceedings are concerned, in the nature of a step in the action pending before the national court, the decision on costs is a matter for that court.

On those grounds,

The court (first chamber)

In answer to the questions referred to it by the Landgericht Hamburg by order of 5 November 1980 hereby rules :

Article 36 of the treaty must be interpreted as meaning that the proprietor of a trade-mark right may not rely on

that right in order to prevent an importer from marketing a pharmaceutical product manufactured in another member state by the subsidiary of the proprietor and bearing the latter's trade mark with his consent, where the importer, in re-packaging the product, confined himself to replacing the external wrapping without touching the internal packaging and made the trade mark affixed by the manufacturer to the internal packaging visible through the new external wrapping at the same time clearly indicating on the external wrapping that the product was manufactured by the subsidiary of the proprietor and re-packaged by the importer.