

Court of Justice EU, 25 July 2018, Mitsubishi v Duma



TRADE MARK LAW

Trade mark proprietor is entitled to oppose, on the grounds of Article 5 of the Trade Marks Directive and Article 9 of the EU Trade Mark Regulation, to a third party removing all the signs identical to that mark and affixing other signs, without its consent, on products placed in the customs warehouse, with a view to importing them or trading them in the EEA where they have never yet been marketed:

- conduct as in the main proceedings deprives the proprietor of that trade mark of the benefit of the essential right to control the initial marketing in the EEA of goods bearing that mark

40 In the present case, the order for reference states that, without Mitsubishi's consent, Duma and GSI acquire, outside the EEA, Mitsubishi forklift trucks that they bring into EEA territory where it places them under a customs warehousing procedure. Whilst those goods are still under that procedure, they entirely remove the signs identical to the Mitsubishi trade marks, make alterations in order to render them compliant with the standards in force in the European Union, replace the identification plates and serial numbers and affix their own signs, then import them into the EEA, and market them both within and outside the EEA.

41 Unlike the cases that gave rise to the judgments cited in paragraph 31 above, the goods concerned in the case in the main proceedings do not therefore bear the marks at issue when they are imported into and marketed in the EEA, after having been placed under the customs warehousing procedure. Also unlike the other judgments cited in paragraphs 34 to 39 above, the third parties do not appear to use in any way at that time the signs identical or similar to the marks at issue, in particular in their commercial communications.

[...]

42 Nevertheless, it must be observed, first, that the removal of signs identical to the mark prevents the goods for which that mark is registered from bearing that mark the first time that they are placed on the market in the EEA and, hence, deprives the proprietor of that trade mark of the benefit of the essential right, which is conferred on him by the case-law recalled in paragraph 31 above, to control the initial marketing in the EEA of goods bearing that mark.

- harm to the function of the indication of origin

44 As regards the function of the indication of origin, it suffices to recall that, in paragraph 48 of the judgment of 16 July 2015, TOP Logistics and Others (C-379/14, EU:C:2015:497), the Court has already held that any

act by a third party preventing the proprietor of a registered trade mark in one or more Member States from exercising his right to control the first placing of goods bearing that mark on the market in the EEA, by its very nature undermines that essential function of the trade mark.

45 The referring court wonders whether it makes any difference that goods thus imported or placed on the market can still be identified by the relevant average consumer as originating from the trade mark proprietor, on the basis of their outward appearance or model. It suggests, in effect, that despite the removal of the signs identical to the mark and the affixing of new signs on the forklift trucks, the relevant consumers continue to recognise them as Mitsubishi forklift trucks. In that regard, it must be observed that, while the essential function of the mark may be harmed irrespective of that fact, that fact is likely to accentuate the effects of such harm.

- harm to the function of investment and advertising

The fact that the trade mark proprietor's goods are placed on the market before that proprietor has placed them on that market bearing that trade mark, with the result that consumers will know those goods before being able to associate them with that trade mark, is likely substantially to impede the use of that mark, by the proprietor, in order to acquire a reputation likely to attract and retain consumers, and to serve as a factor in sales promotion or as an instrument of commercial strategy. In addition, such actions deprive the proprietor of the possibility of obtaining, by putting the goods on the EEA market first, the economic value of the product bearing that mark and, therefore, of its investment.

- conduct contrary to the objective of ensuring undistorted competition

Thirdly, by infringing the trade mark proprietor's right to control the first placing of goods bearing that mark on the market in the EEA and by adversely affecting the functions of the mark, the removal of the signs identical to the mark and affixing of new signs on the goods by a third party, without the consent of the proprietor, with a view to importing into or placing those goods on the market in the EEA and with the aim of circumventing the proprietor's right to prohibit the importation of those goods bearing its mark, is contrary to the objective of ensuring undistorted competition.

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Court of Justice EU, 25 July 2018

(M. Ilešič, A. Rosas, C. Toader, A. Prechal and E. Jarašiūnas)

JUDGMENT OF THE COURT (Second Chamber)

25 July 2018 (*)

(Reference for a preliminary ruling — EU trade mark — Directive 2008/95/EC — Article 5 — Regulation (EC) No 207/2009 — Article 9 — Trade mark proprietor entitled to oppose removal by a third party of all the signs identical to that trade mark and the affixing

of new signs on goods identical to those for which the trade mark has been registered with a view to importing or placing them on the market in the European Economic Area (EEA))

In Case C-129/17,

REQUEST for a preliminary ruling under Article 267 TFEU from the Hof van beroep te Brussel (Brussels Court of Appeal, Belgium), made by decision of 7 February 2017, received at the Court on 13 March 2017, in the proceedings

Mitsubishi Shoji Kaisha Ltd,
Mitsubishi Caterpillar Forklift Europe BV
v

Duma Forklifts NV,

G.S. International BVBA,

THE COURT (Second Chamber),

composed of M. Ilešič, President of the Chamber, A. Rosas, C. Toader, A. Prechal and E. Jarašiūnas (Rapporteur), Judges,

Advocate General: M. Campos Sánchez-Bordona,

Registrar: M. Ferreira, Principal Administrator,

having regard to the written procedure and further to the hearing on 8 February 2018,

after considering the observations submitted on behalf of

– Mitsubishi Shoji Kaisha Ltd and Mitsubishi Caterpillar Forklift Europe BV, by P. Maeyaert and J. Muyltermans, advocaten,

– Duma Forklifts NV and G.S. International BVBA, by K. Janssens and J. Keustermans, advocaten, and by M.R. Gherghinaru, avocate,

– the German Government, by T. Henze, M. Hellmann and J. Techert, acting as Agents,

– the European Commission, by J. Samnadda and by E. Gippini Fournier and F. Wilman, acting as Agents,

after hearing [the Opinion of the Advocate General](#) at the sitting on 26 April 2018,

gives the following

Judgment

1 This request for a preliminary ruling concerns the interpretation of Article 5 of 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 (OJ 2008 L 299, p. 25), and of Article 9 of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1).

2 The request has been made in proceedings between Mitsubishi Shoji Kaisha Ltd (*'Mitsubishi'*) and Mitsubishi Caterpillar Forklift Europe BV (*'MCFE'*), on the one hand, and Duma Forklifts NV (*'Duma'*) and G.S. International BVBA (*'GSI'*) on the other, concerning a request that, inter alia, the latter cease removing signs identical to the marks of which Mitsubishi is the proprietor and affixing new signs on Mitsubishi forklift trucks acquired outside the European Economic Area (EEA).

Legal context

3 Recitals 1 and 2 of Directive 2008/95 state as follows:

'(1) The content of 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)] has been amended. In the interests of clarity and rationality the said Directive should be codified.

(2) The trade mark laws applicable in the Member States before the entry into force of Directive 89/104/EEC contained disparities which may have impeded the free movement of goods and freedom to provide services and may have distorted competition within the common market. It was therefore necessary to approximate the laws of the Member States in order to ensure the proper functioning of the internal market.'

4 Article 5 of that directive, 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.

...

3. 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, 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 that sign;

(d) using the sign on business papers and in advertising.

...

5 Article 7(1) of the directive, entitled *'Exhaustion of the rights conferred by a trade mark'*, provides:

'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 [European Union] under that trade mark by the proprietor or with his consent.'

6 Regulation No 207/2009 codified Council Regulation (EC) No 40/94 of 20 December 1993 on the [European Union] trade mark (OJ 1994 L 11, p. 1). Article 9 of Regulation No 207/2009, entitled *'Rights conferred by an [EU] trade mark'*, provided:

'1. An EU 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 [EU] trade mark in relation to goods or services which are identical with those for which the [EU] trade mark is registered;

(b) any sign where, because of its identity with, or similarity to, the [EU] trade mark and the identity or similarity of the goods or services covered by the [EU] 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;

...

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.

...

7 Article 13(1) of that Regulation, entitled ‘Exhaustion of the rights conferred by an [EU] trade mark’, provided:

‘The [EU] trade mark shall not entitle the proprietor to prohibit its use in relation to goods which have been put on the market in the [European Union] under that trade mark by the proprietor or with his consent.’

8 Regulation No 207/2009 was amended by Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015 amending Regulation No 207/2009 and Commission Regulation (EC) No 2868/95 implementing Council Regulation (EC) No 40/94 on the [European Union] trade mark, and repealing Commission Regulation (EC) No 2869/95 on the fees payable to the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OJ 2015 L 341, p. 21) entered into force on 23 March 2016 and is applicable to the facts in the main proceedings with effect from that date.

9 Regulation No 2015/2424 introduced a new paragraph 4 into Article 9 of Regulation No 207/2009, which reads as follows:

‘Without prejudice to the rights of proprietors acquired before the filing date or the priority date of the EU trade mark, the proprietor of that EU trade mark shall also be entitled to prevent all third parties from bringing goods, in the course of trade, into the Union without being released for free circulation there, where such goods, including packaging, come from third countries and bear without authorisation a trade mark which is identical with the EU trade mark registered in respect of such goods, or which cannot be distinguished in its essential aspects from that trade mark.’

The entitlement of the trade mark proprietor pursuant to the first subparagraph shall lapse if, during the proceedings to determine whether the registered trade mark has been infringed, initiated in accordance with Regulation (EU) No 608/2013 [of the European Parliament and of the Council of 12 June 2013 concerning customs enforcement of intellectual property rights and repealing Council Regulation (EC)

No 1383/2003 (OJ 2013 L 181, p. 15)], evidence is provided by the declarant or the holder of the goods that the proprietor of the registered trade mark is not entitled to prohibit the placing of the goods on the market in the country of final destination.’

10 An analogous provision is laid down by Article 10(4) of Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks (OJ 2015 L 336, p. 1) which recast Directive 2008/95 and repealed it with effect from 15 January 2019, but is not applicable to the facts in the main proceedings.

The dispute in the main proceedings and the questions referred for a preliminary ruling

11 Mitsubishi, established in Japan, is the proprietor of the following marks (*‘the Mitsubishi marks’*):

– The EU word mark MITSUBISHI, registered on 24 September 2001 under number 118042 for, inter alia, goods in Class 12 of the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended, including motor vehicles, electric vehicles and forklift trucks;

– The EU figurative mark, represented below, registered on 3 March 2000 under number 117713, designating in particular the products in Class 12 of that Agreement, including motor vehicles, electric vehicles and forklift trucks:



– The Benelux word mark MITSUBISHI registered on 1 June 1974 under the number 93812, designating inter alia the goods in Class 12, including land vehicles and means of transport and Class 16, including books and printed matter;

– The Benelux figurative mark MITSUBISHI registered on 1 June 1974 under the number 92755, designating inter alia the goods in Class 12, including land vehicles and means of transport and Class 16, including books and printed matter, identical to the EU figurative mark.

12 MCFE, established in the Netherlands, is exclusively authorised to manufacture and place on the market in the EEA forklift trucks supplied under the Mitsubishi mark.

13 Duma, established in Belgium, has as its main activity the worldwide purchase and sale of new and second hand forklift trucks. It also offers for sale its own forklift trucks under the names ‘GSI’, ‘GS’ and ‘Duma’. It was previously an official subdealer of Mitsubishi forklift trucks in Belgium.

14 GSI, also established in Belgium, is affiliated with Duma, whose administration and head office it shares. It constructs and repairs the forklift trucks that it imports and exports wholesale, with their components, on the world market. It adapts them to the applicable

European standards, gives them their own serial numbers and delivers them to Duma, providing EU declarations of conformity.

15 It is stated in the order for reference that, in the period from 1 January 2004 to 19 November 2009, Duma and GSI proceeded to make parallel imports in the EEA of forklift trucks bearing the Mitsubishi marks, without the consent of the proprietors of those marks.

16 Since 20 November 2009, Duma and GSI have acquired from a company within the Mitsubishi group, outside the EEA, forklift trucks that they bring into EEA territory where they place them under a customs warehousing procedure. They then remove from those goods all the signs identical to the Mitsubishi marks, make the necessary modifications to render those goods compliant with European Union standards, replacing the identification plates and serial numbers with their own signs. They import those goods and then market them both within and outside the EEA.

17 Mitsubishi and MCFE applied to the Rechtbank van koophandel te Brussel (Commercial Court, Brussels, Belgium) seeking, in particular, that the court order the cessation of those activities. Their applications were rejected by a judgment of 17 March 2010, and so they appealed to the Hof van beroep te Brussel (Court of Appeal, Brussels, Belgium), before which they sought the prohibition of both the parallel trade in forklift trucks bearing the Mitsubishi mark and the importation and marketing of forklift trucks on which signs identical to those marks have been removed and new signs affixed.

18 Before that court, Mitsubishi submitted that the removal of the signs and affixing of new signs on forklift trucks purchased outside the EEA, the removal of identification plates and serial numbers, and the importation and marketing of those forklift trucks in the EEA, infringed the rights conferred on them by the Mitsubishi marks. It submitted in particular that the removal of the signs identical to those marks, without its consent, was an infringement of the right of the proprietor of the mark to control the first placing on the market in the EEA of the goods bearing that mark and harmed the mark's functions of indicating origin and quality, as well as the functions of investment and advertising. It observed, in that regard, that despite that removal, the Mitsubishi forklift trucks remained recognisable to the consumer.

19 Duma and GSI submitted in particular that they must be regarded as the manufacturers of the forklift trucks that they purchased outside the EEA because they made modifications to those trucks in order to render them compliant with European Union regulation, and they were therefore entitled to affix their own signs.

20 As regards the parallel import into the EEA of forklift trucks bearing the Mitsubishi marks, the referring court held that that was a breach of the law on trade marks and upheld the applications made by Mitsubishi and MCFE. With regard to the importation and marketing in the EEA, with effect from 20

November 2009, of Mitsubishi forklift trucks originating in countries that are not members of the EEA on which the signs identical to the Mitsubishi marks were removed and new signs affixed, it observed that the Court had not yet ruled on the question of whether actions, such as those undertaken by Duma and GSI, constituted a use that the proprietor of the mark could prohibit, while observing that the Court's case-law gave indications that led it to suppose that that question called for a positive response.

21 It was in those circumstances that the Hof van beroep te Brussel (Court of Appeal, Brussels) (Belgium) decided to stay the proceedings and to refer the following questions to the Court of Justice for a preliminary ruling:

'(1) (a) Do Article 5 of Directive 2008/95 and Article 9 of Council Regulation No 207/2009 cover the right of the trade mark proprietor to oppose the removal, by a third party, without the consent of the trade mark proprietor, of all signs identical to the trade marks which had been applied to the goods (debranding), in the case where the goods concerned have never previously been traded within the EEA, such as goods placed in a customs warehouse, and where the removal by the third party occurs with a view to importing or placing those goods on the market within the EEA?

(b) Does it make any difference to the answer to question (a) above whether the importation of those goods or their placing on the market within the EEA occurs under its own distinctive sign applied by the third party (rebranding)?

(2) Does it make any difference to the answer to the first question whether the goods thus imported or placed on the market are, on the basis of their outward appearance or model, still identified by the relevant average consumer as originating from the trade-mark proprietor?'

The request for the oral procedure to be reopened

22 By document lodged at the Court Registry on 20 June 2018, Mitsubishi requested an order re-opening the oral part of the procedure, under Article 83 of the Rules of Procedure of the Court of Justice. In support of that request, Mitsubishi submitted in essence that the Opinion of the Advocate General rested on an incorrect finding that use in the course of trade, within the meaning of Article 5(1) of Directive 2008/95 and Article 9(1) of Regulation No 207/2009, presupposes a positive and visible act. It considers, furthermore, that that Opinion does not respond to its arguments that the removal of the signs infringes the various functions of the mark.

23 Pursuant to Article 83 of its Rules of Procedure, the Court may at any time, after hearing the Advocate General, order the reopening of the oral part of the procedure, in particular if it considers that it lacks sufficient information or where a party has, after the close of that part of the procedure, submitted a new fact which is of such a nature as to have a decisive bearing on the decision of the Court, or where the case must be decided on the basis of an argument which has not been debated between the parties or the interested persons

referred to in Article 23 of the Statute of the Court of Justice of the European Union.

24 That is not the situation in the present case. A new fact has not been claimed to exist. Furthermore, Mitsubishi, in the same way as the other interested parties who participated in these proceedings, was able to set out, in both the written and the oral stages, the elements of fact and law that it regarded as relevant in answering the questions asked by the referring court, in particular the concept of ‘*in the course of trade*’ within the meaning of Article 5(1) of Directive 2008/95 and Article 9(1) of Regulation No 207/2009. Therefore, the Court considers, after hearing the Advocate General, that it has all the necessary information to give judgment.

25 Furthermore, as regards the criticisms made by Mitsubishi of the Advocate General’s Opinion, it must be borne in mind, first, that the Statute of the Court of Justice of the European Union and the Rules of Procedure of the Court make no provision for interested parties to submit observations in response to the Advocate General’s Opinion ([judgment of 20 December 2017, Acacia and D’Amato, C-397/16 and C-435/16, EU:C:2017:992](#), paragraph 26 and the case-law cited).

26 Secondly, under the second paragraph of Article 252 TFEU, it is the duty of the Advocate General, acting with complete impartiality and independence, to make, in open court, reasoned submissions on cases which, in accordance with the Statute of the Court of Justice of the European Union, require the Advocate General’s involvement. In that regard, the Court is not bound either by the Opinion delivered by the Advocate General or by the reasoning which led to that Opinion. As a consequence, the fact that a party disagrees with the Advocate General’s Opinion, irrespective of the questions examined in the Opinion, cannot in itself constitute grounds justifying the reopening of the oral part of the procedure ([judgment of 20 December 2017, Acacia and D’Amato, C-397/16 and C-435/16, EU:C:2017:992](#), paragraph 27 and the case-law cited).

27 In the light of the foregoing, the Court considers that there is no need to reopen the oral part of the procedure.

Consideration of the questions referred

28 By its two questions, which it is appropriate to consider together, the referring court asks, in essence, whether Article 5 of Directive 2008/95 and Article 9 of Regulation No 207/2009 must be interpreted as meaning that the proprietor of a mark may oppose a third party removing all the signs identical to that mark and affixing other signs, without its consent, on products placed in the customs warehouse, such as in the main proceedings, with a view to importing them or trading them in the EEA where they have never yet been marketed.

29 Article 5(1) of Directive 2008/95 and Article 9(1) of Regulation No 207/2009, which are identical in their content, must be interpreted in the same way (see, to that effect, [the order of 19 February 2009, UDV](#)

[North America, C-62/08, EU:C:2009:111](#), paragraph 42).

30 For that purpose, it should be recalled that Directive 2008/95, which codified Directive 89/104, is intended, as its recitals 1 and 2 show, to eliminate disparities between the trade mark laws of the Member States which may impede the free movement of goods and the freedom to provide services and distort competition within the common market. Trade mark rights constitute an essential element in the system of undistorted competition which EU law is intended to establish and maintain. In such a system, undertakings must be able to attract and retain customers by the quality of their goods or services, which is made possible only by distinctive signs allowing them to be identified ([judgment of 12 November 2002, Arsenal Football Club, C-206/01, EU:C:2002:651](#), paragraphs 46 and 47, and the case-law cited).

31 It must also be recalled that Article 7(1) of Directive 2008/95 and Article 13(1) of Regulation No 207/2009 limit the exhaustion of the rights conferred on the proprietor of a trade mark to cases where goods are put on the market in the EEA. They allow the proprietor to market his products outside the EEA without thereby exhausting his rights within it. By specifying that the placing of goods on the market outside the EEA does not exhaust the proprietor’s right to oppose the importation of those goods without his consent, the EU legislature thus allowed the proprietor of the trade mark to control the initial marketing in the EEA of goods bearing the mark (see, to that effect, the judgments of [16 July 1998, Silhouette International Schmied, C-355/96, EU:C:1998:374](#), paragraph 26; of [20 November 2001, Zino Davidoff and Levi Strauss, C-414/99 to C-416/99, EU:C:2001:617](#), paragraphs 32 and 33, and of [18 October 2005, Class International, C-405/03, EU:C:2005:616](#), paragraph 33).

32 In that regard, the Court has repeatedly noted that, in order to ensure the protection of the rights conferred by the trade mark, it is essential that the proprietor of the trade mark registered in one or several Member States can control the first placing of goods bearing that mark on the market in the EEA (judgments of [15 October 2009, Makro Zelfbedieningsgroothandel and Others, C-324/08, EU:C:2009:633](#), paragraph 32; of 12 July 2011, L’Oréal and Others, C-324/09, EU:C:2011:474, paragraph 60, and of 16 July 2015, TOP Logistics and Others, C-379/14, EU:C:2015:497, paragraph 31). It also follows from the Court’s case-law that that right of the proprietor applies to every individual type of that product (see, to that effect, the judgments of [1 July 1999, Sebago and Maison Dubois, C-173/98, EU:C:1999:347](#), paragraphs 19 and 20, and of [3 June 2010, Coty Prestige Lancaster Group, C-127/09, EU:C:2010:313](#), paragraph 31).

33 Furthermore, the first sentence of Article 5(1) of Directive 2008/95 and the first sentence of Article 9(1) of Regulation No 207/2009 confer on the proprietor of the registered trade mark an exclusive right, which, according to Article 5(1)(a) and (b) of that directive

and Article 9(1)(a) and (b) of that regulation, entitles the proprietor to prevent all third parties from using, in the course of trade, without his consent, a sign identical to the mark in relation to the goods or services identical to those for which it has been registered of a sign which, 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, a likelihood of confusion that includes the likelihood of association between the sign and the trade mark.

34 The Court has held on many occasions that that exclusive right of the proprietor of the mark was conferred in order to enable him to protect his specific interests as proprietor, namely to ensure that the trade mark can fulfil its function, and that 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. Amongst those functions is not only the essential function of the mark which is to guarantee to consumers the origin of the product or service, but also the other functions of the mark, such as, in particular, that of guaranteeing the quality of the product or service, or those of communication, investment or advertising (see the judgments of [12 November 2002, Arsenal Football Club, C-206/01, EU:C:2002:651](#), paragraph 51; of 18 June 2009, *L'Oréal and Others*, C-487/07, EU:C:2009:378, paragraph 58; of [23 March 2010, Google France and Google, C-236/08 to C-238/08, EU:C:2010:159](#), paragraphs 77 and 79, and of [22 September 2011, Interflora and Interflora British Unit, C-323/09, EU:C:2011:604](#), paragraphs 37 and 38).

35 As regards those functions, it must be borne in mind that 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 ([judgment of 23 March 2010, Google France and Google, C-236/08 to C-238/08, EU:C:2010:159](#), paragraph 82 and the case-law cited). It serves in particular to guarantee that all the goods or services bearing it have been manufactured or supplied under the control of a single undertaking which is responsible for their quality, which it does in order to fulfil its essential role in the system of undistorted competition (see, to that effect, the judgments of [12 November 2002, Arsenal Football Club, C-206/01, EU:C:2002:651](#), paragraph 48, and of 12 July 2011, *L'Oréal and Others*, C-324/09, EU:C:2011:474, paragraph 80).

36 The function of investment of the mark includes the possibility for the proprietor of a mark to employ it in order to acquire or preserve a reputation capable of attracting customers and retaining their loyalty, by means of various commercial techniques. Thus, when the use by a third party, such as a competitor of the trade mark proprietor, of a sign identical to the trade

mark in relation to goods or services identical with those for which the mark is registered substantially interferes with the proprietor's use of its trade mark to acquire or preserve a reputation capable of attracting consumers and retaining their loyalty, the third party's use adversely affects that function of the trade mark. The proprietor is, as a consequence, entitled to prevent such use under Article 5(1)(a) of Directive 2008/95 or, in the case of an EU trade mark, under Article 9(1)(a) of Regulation No 207/2009 (see, to that effect, [the judgment of 22 September 2011, Interflora and Interflora British Unit, C-323/09, EU:C:2011:604](#), paragraphs 60 to 62).

37 As to the function of the advertising of the mark, it is that of using a mark for advertising purposes designed to inform and persuade consumers. Accordingly, the proprietor of a trade mark is, in particular, 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, 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 (see, to that effect, [the judgment of 23 March 2010, Google France and Google, C-236/08 to C-238/08, EU:C:2010:159](#), paragraphs 91 and 92).

38 As regards the concept of '*use in the course of trade*', the Court has already held that the list of types of use that the proprietor of the trade mark may prohibit, contained in Article 5(3) of Directive 2008/95 and Article 9(2) of Regulation No 207/2009, is not exhaustive (see judgments of [12 November 2002, Arsenal Football Club, C-206/01, EU:C:2002:651](#), paragraph 38; of [25 January 2007, Adam Opel, C-48/05, EU:C:2007:55](#), paragraph 16, and of [23 March 2010, Google France and Google, C-236/08 to C-238/08, EU:C:2010:159](#), paragraph 65), and that it refers exclusively to active behaviour on the part of the third party (see judgment of [3 March 2016, Daimler, C-179/15, EU:C:2016:134](#), paragraph 40).

39 The Court also found that use, in the course of trade, of a sign identical or similar to the mark presupposes that the use occurs in the context of commercial activity with a view to economic advantage and not as a private matter (see the judgment of 16 July 2015, *TOP Logistics and Others*, C-379/14, EU:C:2015:497, paragraph 43 and the case-law cited). It has clarified that the terms '*use*' and '*in the course of trade*' cannot be interpreted as meaning that they refer only to immediate relationships between a trader and a consumer and, in particular, that there is use of a sign identical to the mark where the economic operator concerned uses the sign in its own commercial communications (see the judgment of 16 July 2015, *TOP Logistics and Others*, C-379/14, EU:C:2015:497, paragraphs 40 and 41 and the case-law cited).

40 In the present case, the order for reference states that, without Mitsubishi's consent, Duma and GSI acquire, outside the EEA, Mitsubishi forklift trucks that

they bring into EEA territory where it places them under a customs warehousing procedure. Whilst those goods are still under that procedure, they entirely remove the signs identical to the Mitsubishi trade marks, make alterations in order to render them compliant with the standards in force in the European Union, replace the identification plates and serial numbers and affix their own signs, then import them into the EEA, and market them both within and outside the EEA.

41 Unlike the cases that gave rise to the judgments cited in paragraph 31 above, the goods concerned in the case in the main proceedings do not therefore bear the marks at issue when they are imported into and marketed in the EEA, after having been placed under the customs warehousing procedure. Also unlike the other judgments cited in paragraphs 34 to 39 above, the third parties do not appear to use in any way at that time the signs identical or similar to the marks at issue, in particular in their commercial communications. The case in the main proceedings is also different from the circumstances envisaged in paragraph 86 of the [judgment of 8 July 2010, Portakabin \(C-558/08, EU:C:2010:416\)](#), mentioned by the referring court, in which the Court held that, where a reseller, without the consent of the trade mark proprietor, removes the trade mark from the goods and replaces it with a label bearing the reseller's name, with the result that the trade mark of the manufacturer of the goods in question is entirely concealed, the trade mark proprietor is entitled to prevent the reseller from using that mark to advertise that resale, since that adversely affects the essential function of the trade mark.

42 Nevertheless, it must be observed, first, that the removal of signs identical to the mark prevents the goods for which that mark is registered from bearing that mark the first time that they are placed on the market in the EEA and, hence, deprives the proprietor of that trade mark of the benefit of the essential right, which is conferred on him by the case-law recalled in paragraph 31 above, to control the initial marketing in the EEA of goods bearing that mark.

43 Secondly, the removal of the signs identical to the mark and the affixing of new signs on the goods with a view to their first placing on the market in the EEA adversely affects the functions of the mark.

44 As regards the function of the indication of origin, it suffices to recall that, in paragraph 48 of the judgment of 16 July 2015, *TOP Logistics and Others* (C-379/14, EU:C:2015:497), the Court has already held that any act by a third party preventing the proprietor of a registered trade mark in one or more Member States from exercising his right to control the first placing of goods bearing that mark on the market in the EEA, by its very nature undermines that essential function of the trade mark.

45 The referring court wonders whether it makes any difference that goods thus imported or placed on the market can still be identified by the relevant average consumer as originating from the trade mark proprietor, on the basis of their outward appearance or model. It

suggests, in effect, that despite the removal of the signs identical to the mark and the affixing of new signs on the forklift trucks, the relevant consumers continue to recognise them as Mitsubishi forklift trucks. In that regard, it must be observed that, while the essential function of the mark may be harmed irrespective of that fact, that fact is likely to accentuate the effects of such harm.

46 Moreover, the removal of the signs identical to the mark and the affixing of new signs on the goods precludes the trade mark proprietor from being able to retain customers by virtue of the quality of its goods and affects the functions of investment and advertising of the mark where, as in the present case, the product in question is not still marketed under the trade mark of the proprietor on that market by him or with his consent. The fact that the trade mark proprietor's goods are placed on the market before that proprietor has placed them on that market bearing that trade mark, with the result that consumers will know those goods before being able to associate them with that trade mark, is likely substantially to impede the use of that mark, by the proprietor, in order to acquire a reputation likely to attract and retain consumers, and to serve as a factor in sales promotion or as an instrument of commercial strategy. In addition, such actions deprive the proprietor of the possibility of obtaining, by putting the goods on the EEA market first, the economic value of the product bearing that mark and, therefore, of its investment.

47 Thirdly, by infringing the trade mark proprietor's right to control the first placing of goods bearing that mark on the market in the EEA and by adversely affecting the functions of the mark, the removal of the signs identical to the mark and affixing of new signs on the goods by a third party, without the consent of the proprietor, with a view to importing into or placing those goods on the market in the EEA and with the aim of circumventing the proprietor's right to prohibit the importation of those goods bearing its mark, is contrary to the objective of ensuring undistorted competition.

48 Finally, having regard to the case-law recalled in paragraph 38 above concerning the concept of '*use in the course of trade*', it must be held that an operation consisting, on the part of the third party, of removing signs identical to the trade mark in order to affix its own signs, involves active conduct on the part of that third party, which, since it is done with a view to importing those goods into the EEA and marketing them there and is therefore carried out in the exercise of a commercial activity for economic advantage, within the meaning of the case-law recalled in paragraph 39 of this judgment, may be regarded as a use in the course of trade.

49 For all of those reasons, it must be held that the trade mark proprietor is entitled, under Article 5 of Directive 2008/95 and Article 9 of Regulation No 207/2009, to oppose such actions.

50 It makes no difference to that conclusion that the removal of the signs identical to the mark and the affixing of new signs took place when the goods were

still placed under the customs warehousing procedure, since those operations were carried out for the importing and placing on the market of those goods in the EEA, as is demonstrated, in the case in the main proceedings, by the fact that Duma and GSI made alterations to the forklift trucks in order to render them compliant with the standards in force in the European Union and, moreover, by the fact that they are then, at least in part, actually imported and placed on the market in the EEA.

51 In that context, it must also be observed that Article 9(4) of Regulation No 207/2009, as amended by Regulation No 2015/2424, which applies to the facts in the main proceedings with effect from 23 March 2016, entitles the proprietor from that date to prevent all third parties from bringing goods, in the course of trade, into the European Union without being released for free circulation there, where those goods, including packaging, come from third countries and bear without authorisation a trade mark which is identical to the EU trade mark registered in respect of such goods, or which cannot be distinguished in its essential aspects from that trade mark. That entitlement of the trade mark proprietor lapses only if, during the proceedings to determine whether the registered trade mark has been infringed, evidence is provided by the declarant or the holder of the goods that the proprietor of the registered trade mark is not entitled to prohibit the placing of the goods on the market in the country of final destination.

52 In the light of the foregoing considerations, the answer to the questions referred is that Article 5 of Directive 2008/95 and Article 9 of Regulation No 207/2009 must be interpreted as meaning that the proprietor of a mark is entitled to oppose a third party, without his consent, removing all the signs identical to that mark and affixing other signs on the products placed in the customs warehouse, such as in the main proceedings, with a view to importing them or trading them in the EEA where they have never yet been marketed.

Costs

53 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national court, the decision on costs is 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 (Second Chamber) hereby rules:

Article 5 of 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 and Article 9 of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark must be interpreted as meaning that the proprietor of a mark is entitled to oppose a third party, without its consent, removing all the signs identical to that mark and affixing other signs on products placed in the customs warehouse, as in the main proceedings, with a view to importing them or

trading them in the EEA where they have never yet been marketed.

[Signatures]

* Language of the case: Dutch.

Opinion of A-G Sánchez-Bordona

delivered on 26 April 2018 (1)

Case C-129/17

Mitsubishi Shoji Kaisha Ltd,

Mitsubishi Caterpillar Forklift Europe BV

v

Duma Forklifts NV,

G.S. International BVBA

(Request for a preliminary ruling from the Hof van beroep Brussel (Court of Appeal, Brussels, Belgium))

(Preliminary ruling — European Union trade mark — Rights conferred by a trade mark — Parallel imports into the EEA — Rebranding of goods prior to import into the EEA)

1. Once a distinctive sign has been registered as a trade mark, its proprietor enjoys, against third parties, a number of rights that enable him to rely on that sign in opposition to his competitors. Those rights include the right to prohibit use of the trade mark in the course of trade without the proprietor's consent.

2. EU law also protects the proprietor's right to authorise, in the territory of the European Economic Area (EEA), the first placing on the market of goods bearing the trade mark. Once exercised, there appears what is known as the exhaustion of the rights conferred by the trade mark, meaning that the proprietor will be able to oppose subsequent sales of those goods only in certain specified situations. (2)

3. There are two particular circumstances at issue in this reference for a preliminary ruling:

– First, a third party removed, without the trade mark proprietor's consent, the latter's distinctive signs (debranding) that were affixed to forklift trucks, which had not previously been placed on the market in the EEA as they were stored under customs warehousing arrangements.

– Second, the third party removed those signs in order to import those goods into the EEA or place them on the market in the EEA after affixing its own sign to them (rebranding). (3)

4. On the basis of those facts, the referring court has submitted to the Court of Justice its uncertainties regarding the limits of the rights conferred on trade mark proprietors by the applicable trade mark legislation. In particular, the referring court asks whether a third party who has behaved in the manner described above has used the registered mark, thereby infringing the rights from which the proprietor of that mark benefits.

I. Legal framework

5. In EU law, the legal rules governing the protection of trade marks comprise measures harmonising national laws (inter alia, Directive 2008/95/EC, (4) the subsequent amendments of which are not relevant to this case) (5) and provisions governing the EU trade

mark, (6) applicable to all operators who choose to use that kind of trade mark which covers the whole of the European Union. (7)

A. Trade mark legislation

1. Directive 2008/95

6. Recital 11 reads:

'The protection afforded by the registered trade mark, the function of which is in particular to guarantee the trade mark as an indication of origin, should be absolute in the case of identity between the mark and the sign and the goods or services. The protection should apply also in the case of similarity between the mark and the sign and the goods or services ...'

7. Article 5 ('Rights conferred by a trade mark') provides in paragraphs 1 and 3:

'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; the likelihood of confusion includes the likelihood of association between the sign and the trade mark.*

...

3. The following, *inter alia*, may be prohibited under paragraphs 1 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.'*

8. Article 7 ('Exhaustion of the rights conferred by a trade mark') provides:

'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.'

2. Regulation No 207/2009

9. Recital 9 reads:

'It follows from the principle of free movement of goods that the proprietor of a [European Union] trade mark must not be entitled to prohibit its use by a third party in relation to goods which have been put into circulation in the [European Union], under the trade mark, by him or with his consent, save where there exist legitimate reasons for the proprietor to oppose further commercialisation of the goods.'

10. Articles 9 ('Rights conferred by a [European Union] trade mark') and 13 ('Exhaustion of the rights conferred by a [European Union] trade mark') are equivalent to Articles 5 and 7 of Directive 2008/95, respectively.

B. Customs legislation

11. The customs warehousing procedure applicable *ratione temporis* to this case was included, as one of the special procedures, in Title VII, Chapter I ('General provisions'), Article 135, ('Scope'), point (b), of Regulation (EC) No 450/2008 on the Union Customs Code. (8)

12. Article 141 ('Usual forms of handling') of the Union Customs Code states:

'Goods placed under customs warehousing or a processing procedure or in a free zone may undergo usual forms of handling intended to preserve them, improve their appearance or marketable quality or prepare them for distribution or resale.'

13. Article 531 of the Regulation implementing the Customs Code (9) provides that '[n]on-Community goods may undergo the usual forms of handling listed in Annex 72.' That annex specifies the definition of 'usual forms of handling' and, in so far as is relevant for the purposes of this case, includes in that regard:

'16. packing, unpacking, change of packing, decanting and simple transfer into containers, even if this results in a different eight-digit CN code, affixing, removal and altering of marks, seals, labels, price tags or other similar distinguishing signs'. (10)

C. Legislation on unfair competition

14. Since reliance on the legislation on unfair competition possibility cannot be excluded, reference should be made to Article 10 bis of the Paris Convention, (11) which is worded as follows:

'1) The countries of the Union are bound to assure to nationals of such countries effective protection against unfair competition.

2) Any act of competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition.

3) The following in particular shall be prohibited:

- i) all acts of such a nature as to create confusion by any means whatever with the establishment, the goods, or the industrial or commercial activities, of a competitor;*
- ii) false allegations in the course of trade of such a nature as to discredit the establishment, the goods, or the industrial or commercial activities, of a competitor;*
- iii) indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods.'*

II. Facts of the main proceedings and questions referred for a preliminary ruling

A. Facts

15. Mitsubishi Shoji Kaisha Ltd., a company established in Japan ('Mitsubishi'), manages worldwide the Mitsubishi group's trade mark portfolio. In that

capacity, it acts as the proprietor of the following trade marks ('the Mitsubishi trade marks'):

– two EU trade marks: one, the word mark 'MITSUBISHI', registered on 24 September 2001, and the other, a figurative mark, registered on 3 March 2000, depicted graphically below; both are registered for, inter alia, goods in Class 12, including motor vehicles, electric vehicles and forklift trucks:



– two Benelux trade marks, registered on 1 June 1974: one the word mark 'MITSUBISHI' and the other a figurative mark with an identical graphic representation to the EU figurative mark; both cover, inter alia, goods in class 12, including land vehicles and means of transport.

16. Mitsubishi Caterpillar Forklift Europe BV ('MCFE'), established in the Netherlands, is exclusively authorised to manufacture and place on the market in the EEA forklift trucks under the Mitsubishi brand. MCFE works with official dealers who sell the forklift trucks in the EEA. Outside the EEA, Mitsubishi forklift trucks are essentially made by Mitsubishi Heavy Industries Ltd., which is also a Mitsubishi group company but is independent of the company managing the trade marks.

17. Duma Forklifts NV ('Duma'), a company established in Belgium, has as its main activity the worldwide purchase and sale of, inter alia, new and second hand Mitsubishi, Caterpillar, Nissan and Toyota forklift trucks. It also manufactures its own forklift trucks under the names 'GSI', 'GS' and 'Duma', and acts as a wholesale supplier of forklift trucks, excavators, mini tractors and stackers which it sells both inside and outside the EEA. Until the mid-1990s it belonged to the official dealer network for Mitsubishi forklift trucks in Belgium.

18. G.S. International BVBA ('GSI'), also established in Belgium, is affiliated with Duma, and they have the same director and head office. GSI builds and repairs forklift trucks which, together with their spare parts, it imports and exports wholesale on the world market. It also adapts forklift trucks to bring them into line with the applicable EU law and provides them with its own serial numbers. After a number of forms of handling, GSI delivers the machines to Duma with the relevant EC declaration of conformity, which it completes itself.

19. According to the order for reference, between 1 January 2004 and 12 November 2009, Duma and GSI were involved in the unlawful parallel trade — that is to say, without the consent of the proprietor of the Mitsubishi trade marks — in forklift trucks bearing the Mitsubishi trade marks. However, that conduct is not the subject of the questions referred for a preliminary ruling.

20. On the other hand, since 20 November 2009, Duma and GSI have purchased forklift trucks from an

undertaking in the Mitsubishi group and placed them under a customs warehousing procedure. During the period that the forklift trucks remained under that procedure, both undertakings:

- embarked on full-scale debranding of the machines, from which they removed the Mitsubishi trade marks;
- made the modifications necessary to bring the forklift trucks into line with EU rules;
- affixed their own trade marks to the forklift trucks and replaced the identification plates and serial numbers with their own identification plates and serial numbers;
- finally, imported the vehicles into the EEA and third countries where they sold them.

B. Proceedings before the national courts

21. On 10 November 2008, Mitsubishi and MCFE brought an action before the Rechtbank van koophandel te Brussel (Commercial Court, Brussels, Belgium), seeking cessation of the parallel imports, debranding and rebranding, acts which they alleged Duma and GSI had carried out. By judgment of 17 March 2010, that court dismissed the action as unfounded.

22. Mitsubishi and MCFE appealed against the first-instance judgment. In short, they claim that the Hof van beroep Brussel (Court of Appeal, Brussels, Belgium) should set aside the judgment and prohibit the parallel trade in forklift trucks bearing the Mitsubishi trade marks and forklift trucks which have been debranded.

23. The appellants claim that the practice of debranding the forklift trucks, rebranding them with a different mark and then importing them into the EEA infringes their trade mark rights. In addition to disregarding the function of indicating the origin of the product, the conduct at issue breaches the right of the trade mark proprietor to control the first placing on the market in the EEA of goods bearing his trade marks. A customs warehouse should not become a completely duty-free zone and, after the debranding and rebranding, the consumer would continue to recognise the Mitsubishi forklift trucks.

24. Duma and GSI deny that Mitsubishi's rights have been infringed. The trade marks removed during the customs warehousing procedure were Asian, not European. Moreover, since they adapted the forklift trucks to bring them into line with the applicable EU rules, they regard themselves as the manufacturers of those vehicles and, therefore, as being entitled to affix their own marks to them.

25. In the order containing the reference for a preliminary ruling, the appeal court has (partially) upheld the appeals of Mitsubishi and MCFE in relation to the facts prior to 20 November 2009. However, it has questions regarding the applicability of the trade mark proceedings to the acts which took place after that date, that is, to the removal of the Mitsubishi trade marks, the replacement of those marks with other marks belonging to Duma and GSI, and the removal of the identification plates and serial numbers from the vehicles. The referring court takes the view that the

Court of Justice has not yet ruled on the practice of debranding, as carried out by Duma and GSI.

26. In those circumstances, the Hof van beroep Brussel (Court of Appeal, Brussels) has referred the following questions to the Court for a preliminary ruling:

'1) a) Do Article 5 of Directive 2008/95/EC and Article 9 of Council Regulation (EC) No 207/2009 ... cover the right of the trade-mark proprietor to oppose the removal, by a third party, without the consent of the trade-mark proprietor, of all signs identical to the trade marks which had been applied to the goods (debranding), in the case where the goods concerned have never previously been traded within the European Economic Area, such as goods placed in a customs warehouse, and where the removal by the third party occurs with a view to importing or placing those goods on the market within the European Economic Area?

b) Does it make any difference to the answer to Question (a) above whether the importation of those goods or their placing on the market within the European Economic Area occurs under its own distinctive sign applied by the third party (rebranding)?

2) Does it make any difference to the answer to the first question whether the goods thus imported or placed on the market are, on the basis of their outward appearance or model, still identified by the relevant average consumer as originating from the trade-mark proprietor?'

III. Procedure before the Court of Justice and the parties' positions

A. Procedure

27. The order for reference was received at the Registry of the Court on 13 March 2017, and written observations were lodged by Mitsubishi, Duma, the German Government and the Commission.

28. A hearing was held on 8 February 2018, which was attended by the representatives of Mitsubishi, Duma and the Commission.

B. Summary of the parties' submissions

29. Mitsubishi (12) claims that the only reason why Duma and GSI handle forklift trucks purchased outside the EEA in the way described is to circumvent the rules on exhaustion of the rights conferred by a trade mark. Mitsubishi proposes that Article 5 of Directive 2008/95 and the equivalent provision of Regulation No 207/2009 (Article 9) should be interpreted as granting a trade mark proprietor the right to oppose the removal by a third party, without his consent, of signs affixed to goods where those goods have not yet been placed on the market in the EEA, such as goods in a customs warehouse.

30. Mitsubishi also contends that the list of types of use which a proprietor may prohibit third parties from making of a trade mark, contained in Article 5(3) of Directive 2008/95 and Article 9(2) of Regulation No 207/2009, is not exhaustive. (13) In its submission, the right of a proprietor to control the first placing on the market constitutes the specific purpose of a trade mark. (14) Although the import of goods under the customs warehousing suspensive procedure is not deemed to be

use of a trade mark, that is not tantamount to authorisation to handle the goods with the sole aim of circumventing the right of the proprietor to control the release of the goods into circulation on the market.

31. Moreover, those operations undermine the trade mark's functions of guaranteeing the origin of the product and its quality, (15) and also the functions relating to investment (16) and advertising. (17) Mitsubishi submits that it is irrelevant that the product is rebranded with the importer's mark and that consumers recognise that Mitsubishi manufactures the forklift trucks. Further, the latter fact means that the consumer is being given the impression that there is a commercial connection with the proprietor of the original trade mark, from which it follows that Duma and GSI are taking advantage of the manufacturer's marks, thereby affecting its reputation. (18)

32. In contrast, Duma proposes that the questions referred for a preliminary ruling should be answered in the negative. Duma bases its contention on the fact that it makes no use of a sign identical or similar to any of the Mitsubishi's European trade marks because the vehicles are imported into the European Union only after those marks have been removed. (19) Duma submits that the case-law of the Court, to the effect that a trade mark proprietor cannot oppose the mere entry into the European Union, under the customs warehousing procedure, of original goods bearing that mark which had not already been put on the market in the EEA, is applicable. (20)

33. Duma points out that, according to that case-law, the trade mark proprietor is only entitled to oppose the release for free circulation of goods bearing the trade mark or an offering or sale of those goods in the EEA which necessarily entails putting them on the market in that territory. (21) However, Duma stresses that that right of the proprietor only covers situations in which the goods are introduced onto the market bearing the trade mark. (22) Therefore, since there is no use of a sign identical or similar to the Mitsubishi marks, Duma contends that the perception of the average consumer is entirely irrelevant.

34. The German Government also suggests a negative reply to the questions referred for a preliminary ruling. It concludes from the wording of Article 5 of Directive 2008/95 and Article 9 of Regulation No 207/2009 that the exercise of the rights conferred by a trade mark presupposes the 'use' of that trade mark, a term which is interpreted identically in both provisions. (23) A systematic approach leads to the same outcome, for the examples which both provisions provide of use subject to the authorisation of the trade mark proprietor mean that the sign must appear, as such, in the course of trade, which would not occur if the mark has been completely removed from the product. However, that does not preclude the trade mark proprietor from relying on the provisions governing unfair competition in order to oppose the import of the rebranded goods.

35. The German Government submits that complete debranding does not affect any of the functions of the trade mark. (24) Furthermore, in this case there is no

infringement of the right to control the first placing on the market of the goods in the EEA, since trade mark law does not protect a trade mark proprietor against the marketing of his goods independently of their branding. (25) In that connection, the German Government denies that the judgment in Portakabin (26) can be relied on to counter those assertions, since that dispute did not concern the complete removal of a trade mark but rather its use by a third party in advertisements.

36. The Commission argues that the questions referred for a preliminary ruling should be answered in the affirmative. The Commission proceeds on the basis that EU law does not recognise international exhaustion, so that, in this case, if there has been no sale in the EEA, the proprietor can oppose the placing on the market in that territory of goods bearing his mark. (27) The Commission submits that, whilst the placing of goods under a procedure like the customs warehousing procedure by a third party does not lead to infringement of the exclusive rights of the trade mark proprietor, (28) that is not the case where certain commercial transactions are carried out in the EU, such as offering for sale or advertising, or where there are reasons to fear that the goods will be diverted to the EEA. (29)

37. The Commission contends that Duma and GSI used the customs warehousing procedure to bring the forklift trucks into the territory of the EEA in order to complete the import formalities for those goods, in which case it is irrelevant that the debranding of the goods could be classified as unlawful from the perspective of unfair competition.

IV. Analysis

A. Basic position and introductory observations

38. The referring court seeks to ascertain whether Article 5 of Directive 2008/95 and Article 9 of Regulation No 207/2009 enable Mitsubishi to oppose the removal, by Duma and GSI, of its trade marks from the forklift trucks.

39. Since the lack of consent on the part of the trade mark proprietor and use in the course of trade (two of the conditions for the application of those two provisions) are not in dispute, the question is, essentially, whether there was actual use of the trade marks at issue. I shall endeavour to explain why I believe that there was not (section B).

40. The fact that, after the debranding, Duma and GSI placed their own signs on the forklift trucks while those trucks were under the customs warehousing procedure is simply a legal stratagem to circumvent the trade mark proprietor's right to prohibit the parallel import of the goods, a right to which he is entitled by virtue of the failure to recognise international exhaustion in European Union law. That is Mitsubishi's position, to which the referring court refers. It will therefore be necessary, second, to examine whether there was lawful avoidance or abuse, to the detriment of the rights of the trade mark proprietor (section C).

41. Lastly, it will be helpful to look briefly at the rules on unfair competition, which could assist with a response to conduct like that at issue in these proceedings (section D).

42. Before embarking on my analysis, I must make two observations. The first is that the solution to the problem requires the debate to be steered towards the use (or non-use) of the sign, that is, towards the provisions of Directive 2008/95 and Regulation No 207/2009 which govern the rights of a trade mark proprietor. In my view, it is those provisions and not the customs provisions which provide the answer to the key question of the reference for a preliminary ruling, which specifically concerns Article 5 of Directive 2008/95 and Article 9 of Regulation No 207/2009.

43. The second observation is that, according to the information in the case-file and the information put forward at the hearing, although the forklift trucks placed on the market by Duma came from Mitsubishi and included that company's trade marks, their structure was modified while they were in the customs warehouse. Through those modifications, Duma sought to bring the vehicles into line with the safety and environmental requirements laid down in EU law so that it could later place them on the market in the EEA. The forklift trucks have now been placed on the market under Duma's own trade marks and Duma presents itself to consumers as responsible for the trucks and provides after-sales service in competition with Mitsubishi.

B. Debranding as 'use' of the Mitsubishi trade marks

1. Rights of the trade mark proprietor

44. As the Court has stated, *'[t]he first sentence of Article 5(1) of the directive [(30)] provides that a registered trade mark confers on the proprietor exclusive rights therein. By virtue of Article 5(1)(a), that exclusive right entitles the proprietor to prevent all third parties not having his consent from using in the course of trade any sign which is identical to the trade mark in relation to goods or services which are identical to those for which the trade mark is registered.'* (31)

45. The Court has also observed that, *'in Articles 5 and 7 of ... Directive [89/104] the Community legislature laid down the rule of Community exhaustion, that is to say, the rule that the rights conferred by a trade mark do not entitle the proprietor to prohibit use of the mark in relation to goods bearing that mark which have been placed on the market in the EEA by him or with his consent. In adopting those provisions, the [EU] legislature did not leave it open to the Member States to provide in their domestic law for exhaustion of the rights conferred by a trade mark in respect of products placed on the market in non-member countries (judgment of 16 July 1998, Silhouette International Schmied, C-355/96, [EU:C:1998:374], paragraph 26).'* (32)

46. For the purposes of these proceedings, reference should be made to a limitation of the trade mark proprietor's right to control the first placing on the market in the EEA: *'the movement of goods between customs offices and the storage of goods in a warehouse under customs supervision ... cannot, as*

such, be regarded as the putting of goods on sale in the European Union'. (33)

47. It follows from that premiss that 'goods placed under a suspensive customs procedure cannot, merely by the fact of being so placed, infringe intellectual property rights applicable in the European Union'.

(34) The exclusive rights of a trade mark proprietor can be infringed only if those goods are offered for sale or sold under the trade mark to third parties in the EEA.

2. Interpretation of the term 'use'

48. The Court has held that the following do not constitute adverse use of a trade mark: an oral reference to the competing trade mark, for example between dealers; (35) advertisements relating to accessories and spare parts for the repair and maintenance of motor vehicles; (36) and shop names, provided that honest practices in industrial or commercial matters are respected. (37) However, so far (unless I am mistaken), the Court has not dealt with 'non-use' in circumstances similar to those in the present case.

49. In *Portakabin*, (38) the Court examined more or less similar conduct, albeit with a key differentiating factor: the use, for advertising purposes, of a trade mark whose proprietor had not given consent. (39) The Court held that a trade mark proprietor is entitled to prohibit an advertiser from advertising, on the basis of a keyword identical with, or similar to, that mark, which that advertiser has selected without the consent of the proprietor. The national court's question in that case concerned the use of the protected sign in internet advertising, and the total absence of any questions regarding the removal of the mark is revealing. The judgment does not state that the undertaking which owned the trade mark claimed that the mark had been infringed as a result of the practice of debranding and rebranding.

(a) Literal interpretation

50. From a semantic point of view, the primary meaning of the term to use is 'to utilise an article for something'. Using a trade mark to identify a manufacturer's goods therefore constitutes use of that trade mark.

51. Conversely, and quite logically, the removal or withdrawal of a trade mark from a particular product amounts to the opposite of use of that trade mark. Therefore, I agree with the German Government (40) that the complete removal of a trade mark cannot be regarded as use of that mark. It can hardly be said that, by stripping a product of a trade mark which has hitherto distinguished that product from others, the person carrying out that act continues to use the deleted sign as an element identifying the origin of the goods.

52. Use of a trade mark must take place 'in the course of trade', as stipulated by Article 5(1) of Directive 2008/95 and Article 9(1) of Regulation No 207/2009. It is settled case-law that that phrase refers to use in the context of commercial activity with a view to economic advantage and not as a private matter. (41) Therefore, the removal of a trade mark from the goods to which it is affixed would lead to the absence of that trade mark

from the market, that is to say from trade, and therefore the mark would not be perceptible to consumers.

53. As *Duma* points out, there are only two situations in which the lack of a distinctive sign can be deemed to be use capable of infringing a trade mark proprietor's rights: a) the trade mark is the actual three-dimensional shape of the product, registered after passing an examination of the absolute grounds for refusal in Article 3(1)(b), (c) and (e) of Directive 2008/95; (42) and b) where a colour registered as a mark has been used continuously until it has acquired distinctive character. (43) Neither of those situations corresponds to that at issue in the present case.

(b) Systematic interpretation

54. From a systematic point of view, regard should be had to Article 5(3) of Directive 2008/95 and Article 7(3) of Regulation No 207/2009. In stipulating the types of use that are prohibited without the trade mark proprietor's consent, they do not refer to conduct involving the removal of a sign from the goods on which it was previously affixed.

55. The list of the kinds of use which a trade mark proprietor may prohibit, as set out in those two articles, is not exhaustive. (44) However, as the German Government observes, the absence from that list of the removal of a trade mark is natural: according to the logic of both provisions, a sign which has allegedly been used must appear on the market so that it can take effect on the market as a communication tool. (45)

56. Since *Duma* and *GSI* have removed the Mitsubishi trade marks from the forklift trucks and replaced them with their own trade marks, it is clear to me that they do not use Mitsubishi's trade marks. It would be a different matter if the signs used in the rebranding ('*Duma*' and '*GSI*') were in any way similar to the Mitsubishi trade marks, but this has not been claimed by the proprietor of the Mitsubishi trade marks and it does not appear likely either (although that is an issue of fact which it is for the referring court to determine).

57. If, as I believe, that is the case, it is immaterial — from the perspective of trade mark law — that the goods placed on the market by *Duma* and *GSI* were more or less similar to those of Mitsubishi. The issue here relates to use of the proprietor's trade marks, that is the distinctive signs as such, not the greater or lesser similarity of the goods they identify.

(c) Purposive interpretation

58. According to the Court, the essential function which trade marks are intended to perform is enshrined in Article 2 of Directive 2008/95: only signs which are capable of distinguishing the goods or services of one undertaking from those of other undertakings can constitute trade marks. (46)

59. Therefore, a trade mark protects the way in which its proprietor distinguishes his goods: the proprietor is granted a monopoly over the sign, which can be relied on against third parties, in the interests of transparency of information on the market, to identify those goods so that they are associated with the protected sign. Where a trade mark is removed from the goods which it previously distinguished, consumers may be misled or

unfair commercial conduct may occur, but, I repeat, that does not mean that improper use is made of the trade mark which, until that point, had been affixed to those goods.

60. As I shall explain below, where there is action of that kind, which involves the misleading of consumers or an unfair commercial practice, there are other procedural routes for the appropriate response in law.

(d) Note on comparative law

61. The law of a number of Member States confirms that position. I shall restrict myself to three examples.

62. In the United Kingdom, (47) the removal of a trade mark from goods to which that mark was affixed does not entitle the proprietor to oppose debranding unless there has not been total debranding, that is to say the previous sign has not been removed in its entirety. United Kingdom case-law accepts that argument, as opposed to recognising that anyone who engages in such conduct breaches the trade mark proprietor's right to oppose use of the mark by a third party. (48)

63. In German law, academic opinion also argues that the removal of the original trade mark does not satisfy the criteria for infringement of a trade mark. (49) This is based on case-law of the Bundesgerichtshof (Federal Court of Justice, Germany), which, in the same vein as the United Kingdom judgments, held that, *'regardless of whether or not the goods have been altered, when those goods are sold after the manufacturer's trade mark has been removed, the manufacturer cannot bring trade mark proceedings because there has been no use of his registered mark'*. (50)

64. In France, *'the removal or modification of a lawfully affixed trade mark'* constitutes an infringement of the rights of the proprietor of that trade mark. That is because the legislature expressly laid down, in Article L 713-2 of the Code de la propriété intellectuelle (Intellectual Property Code), a prohibition of that conduct unless the proprietor has consented. (51) The fact that it was necessary to introduce that rule to supplement the protection against improper use of a trade mark means that, otherwise, that rule could not be considered to be part of the rights which Article 5(3) of Directive 2008/95 and Article 9(2) of Regulation No 207/2009 lay down for the benefit of trade mark proprietors.

65. Whilst I am aware that those examples relate to domestic law, in which the principle of exhaustion applies, under no circumstances does it appear that the justification for the position adopted (which can be summarised by the rule *'no use, no infringement'*) is connected to that principle.

(e) The role of the legislature

66. The considerable differences between the laws of the Member States regarding the inclusion of debranding and rebranding as cases of improper use of a trade mark are due to the fact that the EU legislature has refrained from taking a decision in that regard. Article 5(3) of Directive 2008/95 and Article 9(2) of Regulation No 207/2009 merely govern use of a trade mark but do not go any further: that is why Member States are entitled to adopt their own — positive or

negative — rules on non-use (or removal) of a distinctive sign, as part of their freedom to lay down legislation.

67. If it were accepted that non-use can, nevertheless, be interpreted as constituting use for the purposes of the two articles concerned, that would be tantamount to giving EU law a meaning which, in my view, goes beyond the meaning which should be attributed to it under that legislation and which the Member States did not envisage (as demonstrated by the fact that a number of Member States continue to reject it). Under the guise of a task of interpretation, this would, in all likelihood, amount instead to the adoption of a legislative solution.

3. The functions of a trade mark

68. In the case-law of the Court, at least in the *'double identity'* situation referred to in Article 5(1)(a) of Directive 2008/95, exercise of the exclusive right must be reserved for those cases where use of the sign by a third party adversely affects, or is liable to affect adversely one of the functions of the trade mark, irrespective of whether the function concerned is the essential function of indicating the origin of the product or service covered by the trade mark or one of the other functions of the mark. (52) The other functions include, in particular, that of guaranteeing the quality of the goods or services in question and those of communication, investment or advertising. (53)

69. At all events, the Court always refers to use of the protected sign. Since I am arguing that, in this case, the Mitsubishi trade marks have not actually been used, I believe that it is unnecessary to deal with the dispute regarding the possible infringement of the functions of those trade marks, a dispute which only makes sense if those marks have been used.

70. If, however, the definition of use which a trade mark proprietor may prohibit covered conduct of the kind examined here, it would be necessary to ascertain whether the trade mark's function of indicating the origin of the goods was infringed. (54) That is a question of fact which the referring court must determine by examining whether, as regards the specific case of forklift trucks used in relation to storage activities and the like, consumers will generally be professionals with a greater degree of discernment. (55)

71. For those purposes, one detail included in the order for reference could be significant: if, as the referring court states (Question 2), despite the rebranding of the product, consumers continued to identify that product as originating from Mitsubishi, it seems likely that there would be no confusion regarding its commercial origin. (56)

C. Placing of the goods under the customs warehousing procedure

72. I conclude from the above that the removal from certain products of the sign affixed to those products does not constitute use of a trade mark for which the proprietor's consent is required. The affixing of another sign would only entitle the proprietor to prohibit the placing of those products on the market if the rebranding were identical or similar to the original sign,

and there is no evidence that that occurred in this instance.

73. Since that is the case, the difficulties relating to the application of customs law are, in fact, far less relevant to these proceedings. In principle, whilst goods are in a customs warehouse, there can be no infringement of trade mark rights protected in the European Union. Moreover, the questions relating to the first placing of goods on the market in the EEA only arise, from the perspective of trade mark law, where those goods bear a distinctive sign which the proprietor claims has been infringed. If, on the other hand, the goods do not bear that sign, the response of the proprietor of the removed sign cannot be based on that right (but perhaps on others).

74. In any event, I shall address, in the alternative, the other claims put forward.

1. The claim of abuse

75. Mitsubishi maintains that the practices of debranding and rebranding infringe its right to control the first placing on the market of the goods bearing its trade mark, (57) in so far as the sole aim of those practices is to circumvent or neutralise that right. Mitsubishi relies in support of its position on a passage from the judgment in TOP Logistics and Others. (58)

76. The argument relating to abuse of law is difficult to prove. In fact, the referring court does not even frame its questions in those terms. However, since the referring court expanded Question 1 (on debranding) to include importing goods into the EEA or placing goods on the market in the EEA following rebranding, I can see no obstacle to examining whether the customs legislation might have been relied on fraudulently in this case.

77. The Court has held that EU law cannot be relied on for abusive or fraudulent ends. (59) To determine whether that has occurred, it must be apparent:

– *‘from a combination of objective circumstances that, despite formal observance of the conditions laid down by EU rules, the purpose of those rules has not been achieved’*,

– *‘that there is an intention to obtain an improper advantage from the EU rules by artificially creating the conditions laid down for obtaining it’*. (60)

78. Although, by means of debranding and subsequent rebranding, Duma and GSI are able to bring into the EEA forklift trucks originally manufactured by Mitsubishi, they do so by adapting those trucks to bring them into line with the technical requirements laid down in EU law. It is also important to point out that Duma and GSI do not seek to sell forklift trucks bearing the trade mark (and other signs) of that manufacturer but rather their own marks.

79. Accordingly, Duma and GSI are not in breach of the trade mark proprietor’s rights, which take precedence when the goods are imported still bearing that mark. That is clear from Article 5(3)(c) of Directive 2008/95 (*‘importing or exporting the goods under the sign’*). (61)

80. The reference to the judgment in TOP Logistics and Others (62) does not, in truth, help Mitsubishi. That

judgment refers to the trade mark proprietor’s right to control the first placing on the market in the EEA of goods under the sign. In that case, the goods were released for free circulation and were then placed under the duty suspension arrangement, which did not occur in this case. Furthermore, the operations carried out on the forklift trucks by Duma and GSI could fall within the scope of Article 531 of the Regulation implementing the Customs Code, which allows, in particular, the usual forms of handling consisting of the *‘affixing or removal of marks’*. (63)

81. In short, I do not believe that there has been an abuse of law or an abuse of rights by the defendants because:

– While the goods are under the customs warehousing procedure, the forms of handling to which they are subject have a lawful aim (bringing them into line with technical requirements) and the goods are not yet in the EEA for legal purposes.

– The proprietor of the trade marks concerned cannot oppose the release for free circulation of the goods for consumption in the EEA when its trade marks, as such, are not visible to consumers.

– In those circumstances, the proprietor’s situation is, instead, comparable to the situation which arises in the case of a direct import of goods following debranding and rebranding outside the EEA.

2. Use in the course of trade of goods in a customs warehouse

82. Although the Commission does not consider that there has been abuse either, it submits that, if there were reasons to believe that the goods might be diverted to consumers in the EEA, it would be possible to refer to use in the course of trade and, therefore, to an infringement of the trade mark, despite the fact that the goods are under the customs warehousing procedure. (64) The Commission relies on a number of judgments of the Court in support of that argument.

83. The three judgments cited by the Commission concerned pirated goods (copies or imitations), counterfeit goods (the trade mark was included on goods not manufactured by the trade mark proprietor) (65) and original goods bearing the manufacturer’s trade mark which had come from third countries and were placed under a suspensive arrangement. In all those circumstances, the questions asked whether the trade mark proprietor was entitled to oppose the sale (or offering for sale) of the goods while they were under the suspensive arrangement, in the light of the mere risk that they would be placed on the market in the EEA. (66)

84. In the instant case, first, it is apparent from the information set out by the referring court that the goods had not been sold or offered for sale under the manufacturer’s (Mitsubishi) sign in the EEA while they were under the customs warehousing procedure. In that regard, moreover, it is for the trade mark proprietor to provide proof of the facts which would give grounds for exercising the right of prohibition (Article 5 of Directive 2008/95 and Article 9 of Regulation No 207/2009), by proving either release for free circulation

or an offering or sale of the non-Community goods bearing his mark. (67)

85. Accordingly, unless that kind of proof is provided, goods placed under a customs warehousing procedure cannot, merely by the fact of being so placed, infringe intellectual property rights. (68) While the goods are placed under that procedure, they may also undergo the usual forms of handling recognised by statute as being lawful by virtue of Article 141 of the Customs Code and Article 531 of its implementing regulation.

86. The risk of diversion of the goods to European Union consumers was the result in those three cases of the fact that where the goods were offered or resold to customers they could have been brought into the EEA under the sign of the original manufacturer, which would have caused a genuine infringement of the trade mark. In contrast, that situation did not arise in this case: after the goods underwent forms of handling (inter alia, debranding and rebranding) while they were under the suspensive arrangement, they would not conflict on the market with other identical goods bearing the same sign.

87. It was also possible that Duma would export to third countries the forklift trucks which had undergone forms of handling, (69) which would not, in any event, affect the proprietor's trade mark rights as long as the goods had not previously been released for free circulation. In those circumstances, allowing the seizure of the goods would have amounted to a presumption of infringement of the trade marks, which is incompatible with the case-law set out above.

88. The Commission focuses solely on the placing of the goods on the market, (70) without taking into account whether or not the mark is affixed to those goods when they enter the EEA. To my mind, that is a relevant factor. The legal fiction that goods in a customs warehouse are not on the market in the EEA places those goods on the same footing as goods directly imported from third countries which have also undergone debranding and rebranding: in those circumstances, the trade mark proprietor cannot have recourse to trade mark proceedings in order to seize those goods, and that must be applied to the instant case.

89. In other words, if a trade mark proprietor cannot oppose the import into the EEA of his own goods after those goods have been debranded and rebranded by a third party without his consent, because there is no use of the registered sign, then nor should he be able to do so where his original goods are subject to the same form of handling in a customs warehouse, since, by definition, those goods are non-Community goods.

D. Protection under the legislation on unfair competition

90. Together with misleading and comparative advertising, (71) EU law has partially harmonised the law on unfair competition as regards business-to-consumer commercial practices. (72)

91. In contrast, there is currently no specific legislation at EU level governing unfair commercial practices between traders. Such practices have to be combated

under the national legislation applicable in each Member State. It is not possible to argue, as the Commission did at the hearing, that in the absence of harmonisation of the provisions on unfair competition between undertakings in the EU, the rights of trade mark proprietors should be strengthened judicially. The gradual creation of the internal market necessitates acceptance that, where there are no measures harmonising national laws, differences between those laws are legitimate until such time as that situation is rectified by legislative action on the part of the EU.

92. Further, it is clear from recital 13 in the preamble to Directive 2008/95 that the Member States are bound by the Paris Convention, Article 10 bis of which requires them to ensure effective protection against unfair competition. (73) It is therefore reasonable to expect that, notwithstanding the differences, all the Member States have legislative provisions which pursue that aim.

93. There are Member States (74) which have extended the application of the provisions of the Directive on unfair commercial practices to relationships between traders. Indeed, pursuant to that directive, the removal of a trade mark from a product and the replacement of that mark with another could probably, depending on the circumstances, be caught by the general clause in Article 5(1) (as an '*unfair commercial practice*') or by Article 5(4)(a) (as a '*misleading practice*').

94. In other legal systems, like the German, academic opinion tends to regard the debranding and rebranding of goods as conduct in principle liable to impede competition (*Wettbewerbsbehinderung*), in particular as a barrier to sales (*Absatzbehinderung*) and advertising (*Werbebehinderung*). (75)

95. In including those references, I am not seeking to prejudice the options which the referring court may find in its national law for the purposes of defining the conduct at issue. I am simply broadening, beyond the scope of trade mark law, the perspective from which to approach the procedural response to conduct which may be unlawful. (76)

V. Conclusion

96. In the light of the foregoing considerations, I propose that the Court reply as follows to the questions referred by the Hof van beroep Brussel (Court of appeal, Brussels, Belgium):

For the purposes of Article 5 of 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 and Article 9 of Council Regulation (EC) No 207/2009 of 26 February 2009 on the [EU] trade mark, the removal by a third party, without the trade mark proprietor's consent, of signs affixed to goods does not constitute use of a trade mark where:

– those goods have not previously been placed on the market in the European Economic Area because they are stored in a customs warehouse where they have undergone alterations to bring them into line with EU technical standards; and

– the signs were removed with the aim of importing those goods into the European Economic Area or placing those goods on the market in the European Economic Area bearing a (new) trade mark which differs from the original mark.

1 Original language: Spanish.

2 However, there is no such exhaustion of the right if the goods bearing the registered mark were sold first in third countries.

3 I shall use the terms ‘debranding’ and ‘rebranding’ from now on, although I may occasionally use a periphrasis.

4 Directive of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (OJ 2008 L 299, p. 25).

5 Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks (OJ 2015 L 336, p. 1) amended the above directive but is not applicable *ratione temporis* to the case.

6 The version applicable to these proceedings is Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1). There is a later version, codified in 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), which is also not applicable *ratione temporis* to the facts of the dispute.

7 Since 23 March 2016, ‘Community’ trade marks have been known as ‘European Union trade marks’, pursuant to Article 1(2) of Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015 amending Council Regulation (EC) No 207/2009 on the Community trade mark and Commission Regulation (EC) No 2868/95 implementing Council Regulation (EC) No 40/94 on the Community trade mark, and repealing Commission Regulation (EC) No 2869/95 on the fees payable to the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OJ 2015 L 341, p. 21). From now on, I shall refer to these as ‘EU trade marks’.

8 Regulation (EC) No 450/2008 of the European Parliament and of the Council of 23 April 2008 laying down the Community Customs Code (Modernised Customs Code) (OJ 2008 L 145, p. 1). It has now been replaced by Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (OJ 2013 L 269, p. 1).

9 Commission Regulation (EEC) No 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code (OJ 1993 L 253, p. 1), in the amended version applicable to the facts of the main proceedings (‘Regulation implementing the Customs Code’).

10 Article 180 of Commission Delegated Regulation (EU) 2015/2446 of 28 July 2015 supplementing Regulation No 952/2013 as regards detailed rules concerning certain provisions of the Union Customs Code (OJ 2015 L 343, p. 1), which is not applicable *ratione temporis*, refers to Article 220 of the Code, which, in turn, refers to Annex 71-03, point 18 of which is worded identically to point 16 of Council Regulation (EEC) No 2913/92 of 12 October 1992 (OJ 1992 L 302, p. 1).

11 Convention for the Protection of Industrial Property, signed in Paris on 20 March 1883, last revised in Stockholm on 14 July 1967 and amended on 28 September 1979 (United Nations Treaties Series, vol. 828, No 11851, p. 305).

12 MCFE has not submitted observations in these preliminary-ruling proceedings.

13 Referring to the judgments of [12 November 2002, Arsenal Football Club, C-206/01, EU:C:2002:651](#), paragraph 38, and of [25 January 2007, Adam Opel, C-48/05, EU:C:2007:55](#), paragraph 16.

14 Mitsubishi cites in that connection the judgments of [22 September 2011, Interflora and Interflora British Unit, C-323/09, EU:C:2011:604](#), paragraph 38, and of 16 July 2015, TOP Logistics and Others, C-379/14, EU:C:2015:497, paragraph 32.

15 Mitsubishi refers to, *inter alia*, the judgments of 11 November 1997, Loendersloot, C-349/95, EU:C:1997:530, paragraph 24, and of 12 July 2011, L’Oréal and Others, C-324/09, EU:C:2011:474, paragraph 81.

16 [Judgment of 22 September 2011, Interflora and Interflora British Unit, C-323/09, EU:C:2011:604](#), paragraph 62.

17 [Judgment of 23 March 2010, Google France and Google, C-236/08 to C-238/08, EU:C:2010:159](#), paragraph 92.

18 Mitsubishi refers to, *inter alia*, the judgments of [23 February 1999, BMW, C-63/97, EU:C:1999:82](#), paragraph 51, and of [14 July 2011, Viking Gas, C-46/10, EU:C:2011:485](#), paragraph 37.

19 Duma refers to, *inter alia*, the judgments of [18 October 2005, Class International, C-405/03, EU:C:2005:616](#), paragraphs 71 and 72, and of [1 December 2011, Philips and Nokia, C-446/09 and C-495/09, EU:C:2011:796](#), paragraph 57.

20 Duma refers to, *inter alia*, the judgments of [18 October 2005, Class International, C-405/03, EU:C:2005:616](#), paragraph 50, and of [1 December 2011, Philips and Nokia, C-446/09 and C-495/09, EU:C:2011:796](#), paragraph 56.

21 Duma refers to [the judgment of 18 October 2005, Class International, C-405/03, EU:C:2005:616](#), paragraphs 71 and 72.

22 See, *inter alia*, judgments of [18 October 2005, Class International, C-405/03, EU:C:2005:616](#), paragraphs 58 and 60, and of [9 November 2006, Montex Holdings, C-281/05, EU:C:2006:709](#), paragraph 26.

23 The German Government cites [the order of 19 February 2009, UDV North America, C-62/08, EU:C:2009:111](#), paragraph 42.

24 The German Government refers to [the judgment of 23 March 2010, Google France and Google, C-236/08 to C-238/08, EU:C:2010:159](#), paragraphs 75 and 77 and the case-law cited.

25 In that connection, the German Government refers to the case-law on the repackaging of pharmaceutical products, which draws attention to the requirement that the original trade mark must appear in some way in order for the proprietor to be able to oppose the placing on the market of the repackaged product; the German Government specifically cites [the judgment of 23 April 2002, Boehringer Ingelheim and Others, C-143/00, EU:C:2002:246](#), paragraph 7.

26 [Judgment of 8 July 2010, C-558/08, EU:C:2010:416](#), paragraph 86.

27 The Commission refers to, inter alia, the judgments of [16 July 1998, Silhouette International Schmied, C-355/96, EU:C:1998:374](#), paragraph 31, and of [18 October 2005, Class International, C-405/03, EU:C:2005:616](#), paragraph 33.

28 The Commission refers to, inter alia, the judgments of [1 December 2011, Philips and Nokia, C-446/09 and C-495/09, EU:C:2011:796](#), paragraph 56, and of 16 July 2015, TOP Logistics and Others, C-379/14, EU:C:2015:497, paragraph 34.

29 The Commission relies on, inter alia, the judgments of [18 October 2005, Class International, C-405/03, EU:C:2005:616](#), paragraph 58, and of 12 July 2011, L'Oréal and Others, C-324/09, EU:C:2011:474, paragraph 67.

30 The Court was referring to 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).

31 [Judgment of 11 September 2007, Céline, C-17/06, EU:C:2007:497](#), paragraph 14.

32 [Judgment of 20 November 2001, Zino Davidoff and Levi Strauss, C-414/99 to C-416/99, EU:2001:617](#), paragraph 32.

33 [Judgment of 1 December 2011, Philips and Nokia, C-446/09 and C-495/09, EU:C:2011:796](#), paragraph 55 and the case-law cited.

34 Ibid., paragraph 56.

35 [Judgment of 14 May 2002, Hölterhoff, C-2/00, EU:C:2002:287](#), paragraphs 14 to 16.

36 [Judgment of 23 February 1999, BMW, C-63/97, EU:C:1999:82](#), paragraphs 37 to 42.

37 [Judgment of 11 September 2007, Céline, C-17/06, EU:C:2007:497](#).

38 [Judgment of 8 July 2010, C-558/08, EU:C:2010:416](#), paragraph 86.

39 The trade mark proprietor was seeking to prohibit *'a third party from displaying — on the basis of a keyword which is identical to that mark, and which that third party has chosen for an internet referencing service without the proprietor's consent — an ad for*

goods or services identical with, or similar to, those in respect of which that mark was registered.'

40 Points 19 and 20 of its written observations.

41 Judgment of 16 July 2015, TOP Logistics and Others, C-379/14, EU:C:2015:497, paragraph 43.

42 Or its equivalent provision, Article 7(1)(b), (c) and (e) of Regulation No 207/2009. See [judgment of 8 April 2003, Linde and Others, C-53/01, C-54/01 and C-55/01, EU:C:2003:206](#), on an application to register a sign composed of the shape of a product for motorised trucks and other mobile works vehicles, particularly forklift trucks.

43 On the conditions under which a colour is eligible for registration as a trade mark, see [judgment of 21 October 2004, KWS Saat v OHIM, C-447/02 P, EU:C:2004:649](#), paragraph 79.

44 [Judgment of 23 March 2010, Google France and Google, C-236/08 to C-238/08, EU:C:2010:159](#), paragraph 65 and case-law cited.

45 Points 24 to 26 of its written observations.

46 [Judgment of 6 March 2014, Backaldrin Österreich The Kornspitz Company, C-409/12, EU:C:2014:130](#), paragraph 21 and the case-law cited.

47 Stothers, Ch., Parallel Trade in Europe — Intellectual Property, Competition and regulatory Law, Hart Publishing, Portland (Oregon), 2007, pp. 84 and 85.

48 Court of Appeal (England and Wales) (Civil Division) (United Kingdom), judgment of 21 February 2008, Boehringer Ingelheim KG & Anor v Swingward Ltd, [2008] EWCA Civ 83. Paragraphs 51 to 53 read: *'Total de-branding in general is far from uncommon. ... To say that removing (or not applying) the original supplier's mark to the goods amounts to an infringement would be absurd: traders have ... applied their own trade marks to goods for centuries. There is no harm in it. [...] Going back to the legislation, such total de-branding is clearly not an infringement. There is simply no use of the trade mark in any shape or form. Total de-branding does not fall within Art. 5 at all. No defence is needed. ... So a trade mark owner has no right to insist that his trade mark stays on the goods for the aftermarket'*. No italics in the original.

49 See, for example, Hacker, F., *'Teil I Anwendungsbereich — § 2'*, in Ströbele, P. and Hacker, F., *Markengesetz — Kommentar*, Carl Heymanns, 9th edition, Cologne, 2009, p. 48, point 62.

50 Judgment of 12 July 2007, *'CORDARONE'* (I ZR 148/04), paragraph 24. Free translation.

51 Provision inserted into that Code by Law 92-597 of 1 July 1992 (annex to the JORF of 3 July 1992).

52 Judgments of [23 March 2010, Google France and Google, C-236/08 to C-238/08, EU:C:2010:159](#), paragraph 79, and of [22 September 2011, Interflora and Interflora British Unit, C-323/09, EU:C:2011:604](#), paragraph 38. Emphasis added.

53 Judgment of 12 July 2011, L'Oréal and Others, C-324/09, EU:C:2011:474, paragraph 58.

54 That is taken to be the function which *'serves to identify the goods or services covered by the mark as*

originating from a particular undertaking, that undertaking being that under the control of which the goods or services are marketed. [Judgment of 6 March 2014, Backaldrin Österreich The Kornspitz Company, C-409/12, EU:C:2014:130](#), paragraph 20 and the case-law cited.

55 See, in that connection, order of 6 February 2009, MPDV Mikrolab v OHIM, C-17/08 P, not published, EU:C:2009:64, paragraphs 28 and 29.

56 [Judgment of 25 January 2007, Adam Opel, C-48/05, EU:C:2007:55](#), paragraph 24.

57 Mitsubishi cites the judgments of [1 July 1999, Sebago and Maison Dubois, C-173/98, EU:C:1999:347](#), paragraph 21, and of [20 November 2001, Zino Davidoff and Levi Strauss, C-414/99 to C-416/99, EU:2001:617](#), paragraph 33.

58 Judgment of 16 July 2015, TOP Logistics and Others, C-379/14, EU:C:2015:497, paragraph 48: *'any act by a third party preventing the proprietor of a registered trade mark in one or more Member States from exercising his right, recognised in the case-law ... to control the first placing of the goods bearing that mark on the market in the EEA, by its very nature undermines that essential function of the trade mark. The importation of products without the consent of the proprietor of the trade mark concerned and the holding of those products in a tax warehouse before their release for consumption in the European Union has the effect of depriving the proprietor of that mark of the possibility of controlling the conditions of the first placing on the market within the EEA of products bearing its trade mark.'*

59 Judgment of 17 July 2014, Torresi, C-58/13 and C-59/13, EU:C:2014:2088, paragraph 42 and the case-law cited.

60 Judgment of 28 January 2015, ÖBB Personenverkehr, C-417/13, EU:C:2015:38, paragraph 56 and the case-law cited.

61 Italics added.

62 Judgment of 16 July 2015, TOP Logistics and Others, C-379/14, EU:C:2015:497.

63 I do not believe it is necessary to develop this point further because the dispute does not encompass the effects of Article 531 of the Regulation implementing the Customs Code.

64 The Commission cites the judgments of [18 October 2005, Class International, C-405/03, EU:C:2005:616](#), paragraph 58; of 12 July 2011, L'Oréal and Others, C-324/09, EU:C:2011:474, paragraph 67; and of [1 December 2011, Philips and Nokia, C-446/09 and C-495/09, EU:C:2011:796](#), paragraphs 57 to 62.

65 See paragraphs 31, 32, 41, 42 and 51 of [the judgment of 1 December 2011, Philips and Nokia, C-446/09 and C-495/09, EU:C:2011:796](#).

66 Paragraphs 13 to 16 of [the judgment of 18 October 2005, Class International, C-405/03, EU:C:2005:616](#), and paragraphs 26 to 32 of the

judgment of 12 July 2011, L'Oréal and Others, C-324/09, EU:C:2011:474.

67 [Judgment of 18 October 2005, Class International, C-405/03; EU:C:2005:616](#), paragraph 75.

68 [Judgment of 1 December 2011, Philips and Nokia, C-446/09 and C-495/09, EU:C:2011:796](#), paragraph 56 and the case-law cited.

69 At the hearing, Duma confirmed that it exports forklift trucks under its mark to Morocco and Russia, among other countries.

70 Point 27 of its written observations.

71 Directive 2006/114/EC of the European Parliament and of the Council of 12 December 2006 concerning misleading and comparative advertising (OJ 2006 L 376, p. 21). See, in particular, in relation to trade marks, Article 4.

72 Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council (*'Unfair Commercial Practices Directive'*) (OJ 2005 L 149, p. 22).

73 See point 14 of this Opinion.

74 In Spain, Ley 29/2009, de 30 de diciembre, por la que se modifica el régimen legal de la competencia desleal y de la publicidad para la mejora de la protección de los consumidores y usuarios (Law 29/2009 of 30 December amending the legal provisions on unfair competition and advertising to improve the protection of consumers and users; BOE No 315 of 31 December 2009, p. 112039) lays down *'a single body of legal provisions on the unfairness of misleading and aggressive acts, with the same level of punishment being required regardless of whether those acts are targeted at consumers or businesses'*.

75 See, Fezer, K.-H., Markenrecht, 4th edition, C.H. Beck, Munich, 2009, p. 249, points 87 and 88, and Hacker, F., in Ströbele, P. and Hacker, F., Markengesetz — Kommentar, 9th edition, Carl Heymanns, Cologne, 2009, p. 48, point 62. Both provide citations of the case-law of German courts.

76 Although the referring court has not asked a question on the subject, Mitsubishi states that its action against Duma and GSI is also based, in the alternative, on the Belgian provisions on unfair competition.