Court of Justice EU, 16 July 2015, Mevi v Bacardi

TRADEMARK LAW

Economic operator who is importing goods without consent of the proprietor and placing those goods under duty suspension arrangement must be classified as 'using in the course of trade any sign which is identical with the trade mark in relation to goods'

- **On the basis of reading Article 5(3) together with paragraph 1 of that article, it is to be held that the actions of an economic operator such as, in the present case, Van Caem, consisting of importing into the European Union goods without the consent of the proprietor of the trade mark and placing those goods under the duty suspension arrangement, also detaining them in a tax warehouse until the payment of import duties and their release for consumption, must be classified as *'using in the course of trade any sign which is identical with the trade mark in relation to goods … identical with those for which the trademark is registered'*, within the meaning of Article 5(1) of Directive 89/104.**

The proprietor of a trade mark may oppose, according to Article 5 of Directive 89/104, a third party placing goods bearing that trade mark under the duty suspension arrangement after they have been introduced into the EEA and released for free circulation without the consent of that proprietor

- **Having regard to all the foregoing considerations, the answer to the questions referred is that Article 5 of Directive 89/104 must be interpreted as meaning that the proprietor of a trade mark registered in one or more Member States may oppose a third party placing goods bearing that trade mark under the duty suspension arrangement after they have been introduced into the EEA and released for free circulation without the consent of that proprietor.**

48 As Bacardi and the French Government have observed, 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 cited at paragraph 32 above, 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. Such acts also adversely affect the function of the trade mark of identifying the undertaking from which the products originate and under whose control the initial placing on the market is organised.

49 That analysis is not invalidated by the fact that goods imported and placed under the duty suspension arrangement can subsequently be exported to a third State and thus never be released for consumption in a Member State. In that regard, it is sufficient to note that all goods in free circulation may be exported. That possibility cannot preclude the application of the rules on trade marks to goods imported into the European Union. Furthermore, exportation is also itself an act covered by Article 5(3) of Directive 89/104.

Source: curia.europa.eu

Court of Justice EU, 16 July 2015

(M. Ilešič (rapporteur), A. Ó Caoimh, C. Toader, E. Jarašiūnas, C.G. Fernlund)

JUDGMENT OF THE COURT (Third Chamber)

16 July 2015 (*)

(Reference for a preliminary ruling — Trade marks — Directive 89/104/EEC — Article 5 — Products bearing a trade mark released for free circulation and placed under the duty suspension arrangement without the consent of the proprietor of the trade mark — Right of that proprietor to oppose that placing — Definition of 'using in the course of trade')

In Case C‑379/14,

REQUEST for a preliminary ruling under Article 267 TFEU from the Gerechtshof Den Haag (Netherlands), made by decision of 22 July 2014, received at the Court on 7 August 2014, in the proceedings

TOP Logistics BV,
Van Caem International BV
v
Bacardi & Company Ltd,
Bacardi International Ltd,
and
Bacardi & Company Ltd,
Bacardi International Ltd
v
TOP Logistics BV,
Van Caem International BV,

THE COURT (Third Chamber),

composed of M. Ilešič (Rapporteur), President of the Chamber, A. Ó Caoimh, C. Toader, E. Jarašiūnas and C.G. Fernlund, Judges,
Advocate General: Y. Bot,
Registrar: A. Calot Escobar,
having regard to the written procedure,
after considering the observations submitted on behalf of:
– TOP Logistics BV, by G. van der Wal and M. Tsoutsanis, advocaten,
– Van Caem International BV, by J. S. Hofhuis, advocaat,
– Bacardi & Company Ltd and Bacardi International Ltd, by N.W. Mulder, R.E. van Schaik and A.M.E Voerman advocaten,
– the French Government, by D. Colas and F. Gloaguen, acting as Agents,
– the Portuguese Government, by L. Inez Fernandes, M. Rebelo and N. Vitorino, acting as Agents,
– the European Commission, by F. Wilman and by F.W. Bulst and L. Grønfeldt, acting as Agents,
having decided, after hearing the Advocate General, to proceed to judgment without an Opinion,
gives the following

Judgment

1. The request for a preliminary ruling concerns the interpretation of Article 5 of 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).

2. That request has been made in the context of two sets of proceedings between, on the one hand, TOP Logistics BV ('TOP Logistics') and Van Caem International BV ('Van Caem') against Bacardi & Company Ltd and Bacardi International Ltd ('Bacardi') and, on the other hand, Bacardi against TOP Logistics and Van Caem, concerning goods originating from Bacardi which have been introduced, without the consent of the latter, in the European Economic Area (EEA) and placed there under the duty suspension arrangement.

Legal context

Directive 89/104

3. Article 5(1) and (3) of Directive 89/104 stated:

'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 paragraphs 1 and 2:
...;
(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;
...'

4. Directive 89/104 was repealed and replaced by 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), which came into force on 28 November 2008. However, having regard to the date of the facts, the cases in the main proceedings continue to be governed by Directive 89/104.

Directive 92/12/EEC

5. Under Article 3(1) of Council Directive 92/12/EEC of 25 February 1992 on the general arrangements for products subject to excise duty and on the holding, movement and monitoring of such products (OJ 1992 L 76, p. 1):

'This Directive shall apply at Community level to the following products ...:
...,
– alcohol and alcoholic beverages
...'

6. Article 4(b) and (c) of Directive 92/12 stated:

'For the purpose of this Directive, the following definitions shall apply:
...
(b) tax warehouse: a place where goods subject to excise duty are produced, processed, held, received or dispatched under duty-suspension arrangements by an authorised warehousekeeper in the course of his business, subject to certain conditions laid down by the competent authorities of the Member State where the tax warehouse is located;
(c) suspension arrangement: a tax arrangement applied to the production, processing, holding and movement of products, excise duty being suspended;
...'

7. Article 5(1) of Directive 92/12 read as follows:

'The products referred to in Article 3(1) shall be subject to excise duty at the time of their production within the territory of the Community as defined in Article 2 or of their importation into that territory.
"Importation of a product subject to excise duty" shall mean the entry of that product into the territory of the Community ...
However, where the product is placed under a Community customs procedure on entry into the territory of the Community, importation shall be deemed to take place when it leaves the Community customs procedure.'

8. Article 6(1) of Directive 92/12 provided:

'Excise duty shall become chargeable at the time of release for consumption ...
Release for consumption of products subject to excise duty shall mean:
(a) any departure, including irregular departure, from a suspension arrangement;
(b) any manufacture, including irregular manufacture, of those products outside a suspension arrangement;

(c) any importation of those products, including irregular importation, where those products have not been placed under a suspension arrangement.'

9. Article 11(2) of Directive 92/12 read as follows:

'Production, processing and holding of products subject to excise duty, where the latter has not been paid, shall take place in a tax warehouse.'

10. Directive 92/12 has, as from 1 April 2010, been repealed and replaced by Council Directive 2008/118/EC of 16 December 2008 concerning the general arrangements for excise duty and repealing Directive 92/12 (OJ 2009 L 9, p. 12). However, having regard to the date of the facts, the cases in the main proceedings continue to be governed by Directive 92/12.

Regulation (EEC) No 2913/92

11. Article 91(1) of Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code (OJ 1992 L 302, p. 1), as amended by Regulation (EC) No 955/1999 of the European Parliament and of the Council of 13 April 1999 (OJ 1999 L 119, p. 1, 'the Customs Code'), stated:

'The external transit procedure shall allow the movement from one point to another within the customs territory of the Community of:

(a) non-Community goods, without such goods being subject to import duties and other charges or to commercial policy measures;

...'

12. Article 92 of the same code stated:

'1. The external transit procedure shall end and the obligations of the holder shall be met when the goods placed under the procedure and the required documents are produced at the customs office of destination in accordance with the provisions of the procedure in question.

2. The customs authorities shall discharge the procedure when they are in a position to establish, on the basis of a comparison of the data available to the office of departure and those available to the customs office of destination, that the procedure has ended correctly.'

13. Article 98(1) of the Customs Code provided:

'The customs warehousing procedure shall allow the storage in a customs warehouse of:

(a) non-Community goods, without such goods being subject to import duties or commercial policy measures;

...'

14. The Customs Code was repealed and replaced by 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). However, having regard to the date of the facts in the main proceedings, the goods mentioned at paragraph 19 of the present judgment were governed by the Customs Code.

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

15. TOP Logistics, formerly Mevi Internationaal Expeditiebedrijf BV ('Mevi'), is an undertaking active in the storage and transhipment of goods. It has a licence to operate a customs warehouse and an excise warehouse.

16. Van Caem is an undertaking active in the international trade in trade-marked goods.

17. Bacardi produces and markets alcoholic drinks. It is the proprietor of various trade marks for those products.

18. During 2006, at the request of Van Caem, several consignments produced by Bacardi, transported to the Netherlands from a third State, were stored with Mevi in the port of Rotterdam (Netherlands).

19. Those goods were placed under the customs suspension arrangement for external transit or customs warehousing, such goods being known as ('T1 goods').

20. Subsequently, some of those goods were released for free circulation and placed under the duty suspension arrangement. Accordingly, those goods left the customs suspension arrangement regulated by Articles 91, 92 and 98 of the Customs Code and were placed in a tax warehouse.

21. Not having consented to the introduction of the goods at issue into the EEA and having, furthermore, learnt that the product codes had been removed from the bottles in the relevant consignments, Bacardi had them seized and sought various orders from the Rechtbank Rotterdam (District Court, Rotterdam). For that purpose it relied on an infringement of its Benelux trade marks.

22. By judgment of 19 November 2008, the Rechtbank Rotterdam held that the introduction into the EEA of the goods at issue infringed Bacardi's Benelux trade marks and it took some of the requested measures.

23. TOP Logistics brought an appeal before the Gerechtshof Den Haag (Court of Appeal, The Hague). Van Caem was granted leave to intervene in those appeal proceedings.

24. By interlocutory judgment of 30 October 2012, that jurisdiction ruled that, as long as the goods at issue had the status of T1 goods, there was no infringement of Bacardi's Benelux trademarks.

25. As to whether those marks had been infringed once the goods at issue had been placed under the duty suspension arrangement, that Court stated, in its interlocutory judgment, its intention of submitting a request for a preliminary ruling.

26. In the order for reference, the Gerechtshof Den Haag states that, unlike in the case of T1 goods, any import duties which might be payable were paid for goods in a tax warehouse. Those goods have, consequently, been imported within the meaning of Directive 92/12 and released into free circulation. They have become Community goods.

27. Those findings must not, however, according to the Gerechtshof Den Haag, necessarily lead to the conclusion that the goods at issue have been imported within the meaning of Article 5(3)(c) of Directive 89/104.

28. Moreover, the Gerechtshof Den Haag has doubts whether, in relation to goods placed under the duty suspension arrangement, there can be *'use' 'in the course of trade'* within the meaning of Article 5(1) of Directive 89/104 and a likelihood of an adverse effect on one of the functions of the trade mark within the meaning of the case-law of the Court.

29. In those circumstances, the Gerechtshof te Amsterdam decided to stay the proceedings and to refer the following questions to the Court for a preliminary ruling:

'These questions concern goods originating outside the EEA which, after having been brought into the territory of the EEA (neither by the trade mark proprietor nor with its consent), are placed in a Member State of the European Union under the external transit procedure or under the customs warehousing procedure …

(1) Where such goods are subsequently placed under a duty suspension arrangement, as in the present case, must those goods then be regarded as having been imported within the meaning of Article 5(3)(c) of Directive 89/104 with the result that there is "use (of the sign) in the course of trade" that can be prohibited by the trade mark proprietor pursuant to Article 5(1) of that directive?

(2) If Question 1 is answered in the affirmative, must it then be accepted that in circumstances such as those in the case at issue, the mere presence in a Member State of such goods (which have been placed under a duty suspension arrangement in that Member State) does not prejudice, or cannot prejudice, the functions of the trade mark, with the result that the trade mark proprietor which invokes national trade mark rights in that Member State cannot oppose that presence?'

The questions referred for a preliminary ruling

30. By its questions, which it is appropriate to consider together, the national court asks, in essence, if Article 5 of Directive 89/104 must be interpreted as meaning that the proprietor of a trade mark registered in one or more Member States can oppose a third party placing goods covered by that mark under the duty suspension arrangement after having introduced them, without the consent of that proprietor, into the EEA and having released them for free circulation.

31. In that regard, it should be recalled from the outset that it is essential that the proprietor of a trade mark registered in one or more Member States should be able to control the initial marketing in the EEA of goods bearing that mark (see, in particular, judgments **in Zino Davidoff and Levi Strauss, C‑414/99 to C‑416/99, EU:C:2001:617, paragraph 33**; **Makro Zelfbedieningsgroothandel and Others, C‑324/08, EU:C:2009:633, paragraph 32**; **and L'Oréal and Others, C‑324/09, EU:C:2011:474, paragraph 60**).

32. For that purpose, Article 5 of Directive 89/104 confers on the trade mark proprietor exclusive rights which entitle him inter alia to prevent any third party from importing goods bearing the mark, offering the goods, or putting them on the market or stocking them for those purposes without his consent (judgments in **Zino Davidoff and Levi Strauss, C‑414/99 to C‑416/99, EU:C:2001:617, paragraph 40**; **Van Doren + Q, C‑244/00, EU:C:2003:204, paragraph 33**; and **Peak Holding, C‑16/03, EU:C:2004:759, paragraph 34**).

33. In this case, the goods at issue have been produced in a third State. They have been brought into the customs territory of the European Union without the consent of the proprietor of the trade mark and placed under a suspensive customs arrangement. They were then released for free circulation, which brought an end to that customs arrangement and gave rise to payment of import duties, without the consent of the proprietor.

34. It is apparent from the order for reference that the goods at issue in the main proceedings are no longer subject to a suspensive customs arrangement. Consequently, the case-law in accordance with which the placing of trade-marked goods under a suspensive customs arrangement, such as that of external transit referred to in Articles 91 and 92 of the Customs Code or that of the customs warehouse referred to in Article 98 of that code, cannot in itself infringe the exclusive right of the proprietor of the trademark (see, in particular, judgment in **Philips and Nokia, C‑446/09 and C‑495/09, EU:C:2011:796, paragraphs 55 and 56** and the case-law cited), does not apply in a case such as that in the main proceedings.

35. On the contrary, the import duties having been paid for the goods at issue in the main proceedings and those having been released for free circulation, those goods have been imported within the meaning of Article 5(3)(c) of Directive 89/104 (see, to that effect, judgment in **Class International, C‑405/03, EU:C:2005:616, paragraphs 43 and 44**, and order in Canon, C‑449/09, EU:C:2010:651, paragraph 18).

36. Falling, moreover, within one of the categories of goods referred to in Article 3(1) of Directive 92/12, the goods at issue in the main proceedings, in accordance with Article 5(1) of that directive, also became imported goods within the meaning of that directive as soon as they left the customs arrangement.

37. Nevertheless, the doubts which the national court entertains on the question whether the proprietor of a trade mark can oppose goods, which have thus been released for free circulation without its consent, being placed under the duty suspension arrangement are, in the first place, linked to the fact that, by virtue of the rules set out in Directive 92/12, during that storage for tax purposes the excise duties are not paid and consequently the goods concerned cannot yet be released for consumption.

38. As Bacardi and the French Government observed, it follows from the wording of Article 5(3) of Directive 89/104 and also from the case-law cited at paragraph 32 of this judgment, that the proprietor of the trademark is not in any way obliged to wait for the release for consumption of the goods covered by its trademark to exercise its exclusive right. It can also oppose certain acts committed without its consent, before that release for consumption. Amongst those acts are included, in

particular, the import of the goods concerned and their storage for the purpose of putting them on the market.

39. On the basis of reading Article 5(3) together with paragraph 1 of that article, it is to be held that the actions of an economic operator such as, in the present case, Van Caem, consisting of importing into the European Union goods without the consent of the proprietor of the trade mark and placing those goods under the duty suspension arrangement, also detaining them in a tax warehouse until the payment of import duties and their release for consumption, must be classified as *'using in the course of trade any sign which is identical with the trade mark in relation to goods ... identical with those for which the trademark is registered'*, within the meaning of Article 5(1) of Directive 89/104.

40. It is true that, in importing and storing goods bearing a sign identical to another's trade mark for goods identical to those in respect of which that mark is registered, that economic operator does not use that sign in the course of dealings with consumers. However, at the risk of depriving Directive 89/104 of any useful effect, the terms *'using'* and *'in the course of trade'* used in paragraph 1 of that article cannot be interpreted as meaning that they refer only to immediate relationships between a trader and a consumer.

41. First, concerning the notion of *'using'*, the court has previously held that there is use of a sign identical to the trade mark, within the meaning of Article 5 of Directive 89/104, where the economic operator concerned uses the sign in its own commercial communications (judgment in **Google France and Google, C-236/08 to C-238/08, EU:C:2010:159, paragraph 56**).

42. That is the case, for example, where an economic operator imports or sends to a warehousekeeper goods bearing a trade mark of which it is not a proprietor with a view to releasing them for marketing. If it were otherwise, the acts of import and of stocking for the purpose of placement on the market, mentioned in Article 5(3) of Directive 89/104 and normally carried out without direct contact with potential consumers, could not be qualified as *'using'* within the meaning of that article and could not be prohibited, even though the EU legislature has expressly identified them as being prohibited.

43. Concerning the expression *'in the course of trade'*, it is settled case-law that the use of a sign identical to a trade mark constitutes use in the course of trade where it occurs in the context of commercial activity with a view to economic advantage and not as a private matter (judgments in **Arsenal Football Club, C-206/01, EU:C:2002:651, paragraph 40**; **Céline, C-17/06, EU:C:2007:497, paragraph 17**; and **Google France and Google, C-236/08 to C-238/08, EU:C:2010:159, paragraph 50**).

44. That is evidently the case where, as in the case in the main proceedings, an economic operator active in the parallel trade of trade-marked goods, imports and stores such goods.

45. By contrast, concerning the warehousekeeper such as in the present case TOP Logistics, it must be held that its provision of a warehouse service for goods bearing another's trade mark does not constitute use of a sign identical to that trade mark for goods or services identical or similar to those in respect of which the mark is registered. Inasmuch as such a service provider permits such use by its customers, its role cannot be assessed under Directive 89/104 but must be examined, if necessary, from the point of view of other rules of law (see, by analogy, judgment **in Frisdranken Industrie Winters, C-119/10, EU:C:2011:837, paragraphs 28 to 35**).

46. In the second place, the referring court questions the risk of infringement of the functions of the mark that the act of placing goods bearing another's trade mark under the duty suspension arrangement can cause. It cites in that regard the case-law of the Court in accordance with which, in the situation referred to in Article 5(1)(a) of Directive 89/104, the exercise of the exclusive right conferred by the mark 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 (judgments in **Google France and Google, C-236/08 to C-238/08, EU:C:2010:159, paragraph 79**, and **Interflora and Interflora British Unit, C-323/09, EU:C:2011:604, paragraph 38**).

47. In that regard it should be noted that the essential function of the indication of origin 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 in Backaldrin Österreich The Kornspitz Company, C-409/12, EU:C:2014:130, paragraph 20 and the case-law cited).

48. As Bacardi and the French Government have observed, 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 cited at paragraph 32 above, 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. Such acts also adversely affect the function of the trade mark of identifying the undertaking from which the products originate and under whose control the initial placing on the market is organised.

49. That analysis is not invalidated by the fact that goods imported and placed under the duty suspension arrangement can subsequently be exported to a third State and thus never be released for consumption in a Member State. In that regard, it is sufficient to note that all goods in free circulation may be exported. That possibility cannot preclude the application of the rules on trade marks to goods imported into the European Union. Furthermore, exportation is also itself an act covered by Article 5(3) of Directive 89/104.

50. Having regard to all the foregoing considerations, the answer to the questions referred is that Article 5 of Directive 89/104 must be interpreted as meaning that the proprietor of a trade mark registered in one or more Member States may oppose a third party placing goods bearing that trade mark under the duty suspension arrangement after they have been introduced into the EEA and released for free circulation without the consent of that proprietor.

Costs

51. 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 (Third Chamber) hereby rules:

Article 5 of the First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks must be interpreted as meaning that the proprietor of a trade mark registered in one or more Member States may oppose a third party placing goods bearing that trade mark under the duty suspension arrangement after they have been introduced into the EEA and released for free circulation without the consent of that proprietor.

[Signatures]

* Language of the case: Dutch.