

Court of Justice EU, 27 October 2022, SodaStream v MySoda



## TRADE MARK LAW – EXHAUSTION

**No valid reason for trade mark proprietor to oppose further marketing of goods intended to be reused and refilled several times**

- when the reseller has replaced the original trade mark with new labelling while leaving the original trade mark visible on those goods, provided that the new labelling does not give consumers the false impression that there is an economic connection between the reseller and the trade mark owner,
- The risk of confusion must be assessed globally on the basis of indications on the goods and the new labelling, as well as against the background of distribution practices in the sector concerned and the extent to which consumers are aware of these practices

47 Thus, it should be noted, in the first place, that the extent of the information appearing on the new labels is of significant importance. As stated by the Advocate General in point 51 of his Opinion, the overall impression created by the new label must be assessed in order to determine whether the information relating to the trade mark proprietor, who manufactured the cylinder, and that relating to the reseller, who refilled it, is clear and unambiguous to a consumer, who is reasonably well-informed and reasonably observant. That information, presented on the new label must, in particular, not give the impression that there is an economic connection between the reseller who refilled the cylinder and the proprietor of the original trade mark.

48 In the second place, in order to assess the impression created by the new labelling, account must also be taken of the practices in the sector concerned and the question whether consumers are accustomed to the cylinders being refilled by operators other than the proprietor of the original trade mark.

49 In that regard, the fact that the product at issue is made up of a cylinder intended to be reused and refilled numerous times, as well as its content, may be relevant for the purposes of determining whether there is such a false impression in the minds of consumers. It is true that account must be taken of the fact that, on account of the functional relationship between a cylinder and its content, the general public is likely to consider that both normally have the same commercial origin. However, if it were impossible to use compressed or liquefied gases independent of the metal containers holding them and if that type of cylinder may, accordingly, be regarded as packaging (see, to that effect, judgment of 20 November 2014, Utopia, C-40/14, EU:C:2014:2389, paragraph 40), those cylinders – in so far as they are intended to be reused and refilled numerous times, according to the

logic of recycling – will not necessarily be perceived as having the same commercial origin as the gas which they contain.

50 As regards, in particular, the conditions to refill empty cylinders, it must be assumed, as stated by the Advocate General in point 56 of his Opinion, that a consumer, who goes directly to an operator other than the proprietor of the original mark to have an empty cylinder refilled or to exchange it for a refilled cylinder, will be more readily in a position to be aware that there is no economic connection between that competitor and the trade mark proprietor.

51 In the present case, as is apparent from the order for reference and the written observations of the parties to the main proceedings, neither the proprietors of the original trade marks nor the reseller offer their carbon dioxide cylinders directly to consumers, since those cylinders are available for sale only in the distributors' shops.

52 The absence of direct contact with the reseller may give rise to a likelihood of confusion in the minds of consumers as to the relationship between that reseller and the proprietors of the original trade marks. Such a situation is therefore liable to prevent the essential function of the trade mark, referred to in paragraph 35 of this judgment, from being fulfilled, and thus to justify the application of Article 15(2) of Directive 2015/2436 and Article 15(2) of Regulation 2017/1001.

53 In the third place, it follows from the case-law of the Court that the fact that the original mark of the cylinder remains visible in spite of the additional labelling affixed by the reseller constitutes a relevant factor in so far as it seems to rule out that the labelling changed the condition of the cylinders by masking their origin (see, to that effect, [judgment of 14 July 2011, Viking Gas, C-46/10, EU:C:2011:485](#), paragraph 41).

Source: [ECLI:EU:C:2022:834 / C-197/21](#)

### Court of Justice EU, 27 October 2022

(E. Regan, D. Gratsias, M. Ilešič (rapporteur), I. Jarukaitis en Z. Cseh)

JUDGMENT OF THE COURT (Fifth Chamber)

27 October 2022 (\*)

(Reference for a preliminary ruling – Trade-mark law – Regulation (EU) 2017/1001 – Article 15(2) – Directive (EU) 2015/2436 – Article 15(2) – Exhaustion of the rights conferred by a trade mark – Cylinders containing carbon dioxide – Placing on the market in a Member State by the trade mark proprietor – Activity of a reseller consisting in refilling and relabelling cylinders – Opposition brought by the trade mark proprietor – Legitimate reasons to oppose further commercialisation of the goods bearing the trade mark)

In Case C-197/21,

REQUEST for a preliminary ruling under Article 267 TFEU from the Korkein oikeus (Supreme Court, Finland), made by decision of 9 March 2021, received at the Court on 29 March 2021, in the proceedings  
Soda-Club (CO<sub>2</sub>) SA,

SodaStream International BV  
v  
MySoda Oy,  
THE COURT (Fifth Chamber),  
composed of E. Regan, President of the Chamber, D. Gratsias, M. Ilešič (Rapporteur), I. Jarukaitis, and Z. Csehi, Judges,  
Advocate General: G. Pitruzzella,  
Registrar: A. Calot Escobar,  
having regard to the written procedure,  
after considering the observations submitted on behalf of:

- Soda-Club (CO2) SA and SodaStream International BV, by J. Bonsdorf, H. Pohjola and B. Rapinoja, asianajajat,
- MySoda Oy, by H.-M. Elo and E. Hodge, asianajajat,
- the Finnish Government, by S. Hartikainen, A. Laine and H. Leppo, acting as Agents,
- the European Commission, by É. Gippini Fournier, M. Huttunen and T. Sevón, acting as Agents,

after hearing [the Opinion of the Advocate General](#) at the sitting on 12 May 2022,  
gives the following

### Judgment

1 This request for a preliminary ruling concerns the interpretation of Article 13(2) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1), as amended by Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015 (OJ 2015 L 341, p. 21) ('Regulation No 207/2009'), of Article 15(2) of Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ 2017 L 154, p. 1), of Article 7(2) 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 15(2) 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).

2 The request has been made in proceedings between Soda-Club (CO2) SA and SodaStream International BV (together 'SodaStream') and MySoda Oy concerning an alleged infringement of the EU and the national trade marks SODASTREAM and Soda-Club of which the former are the proprietors.

### Legal context

#### European Union law

##### Regulation No 207/2009

3 Article 13 of Regulation No 207/2009, entitled 'Exhaustion of the rights conferred by a [European Union] trade mark', provided:

*'1. A [European Union] 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 Economic Area (EEA)] 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.'*

##### Regulation 2017/1001

4 Regulation 2017/1001, which repealed and replaced Regulation No 207/2009 with effect from 1 October 2017, contains Article 9, entitled 'Rights conferred by an EU trade mark', which is worded as follows:

*'1. The registration of an EU trade mark shall confer on the proprietor exclusive rights therein.*

*2. 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 be entitled to prevent all third parties not having his consent from using in the course of trade, in relation to goods or services, any sign where:*

*(a) the sign is identical with the EU trade mark and is used in relation to goods or services which are identical with those for which the EU trade mark is registered;*

*(b) the sign is identical with, or similar to, the EU trade mark and is used in relation to goods or services which are identical with, or similar to, the goods or services for which the EU trade mark is registered, if 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;*

*(c) the sign is identical with, or similar to, the EU trade mark irrespective of whether it is used in relation to goods or services which are identical with, similar to or not similar to those for which the EU trade mark is registered, where the latter has a reputation in the Union and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the EU trade mark.*

*3. The following, in particular, may be prohibited under paragraph 2:*

*...*

*(b) offering the goods, putting them on the market, or stocking them for those purposes under the sign, or offering or supplying services thereunder;*

*...*

5 Article 15 of Regulation 2017/1001, entitled 'Exhaustion of the rights conferred by an EU trade mark', provides:

*'1. An 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 [EEA] 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.'*

##### Directive 2008/95

6 Article 7 of Directive 2008/95, entitled '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.'

7 Directive 2008/95 was repealed, with effect from 15 January 2019, by Directive 2015/2436.

#### **Directive 2015/2436**

8 Article 10 of Directive 2015/2436, entitled 'Rights conferred by a trade mark', provides, in its paragraphs 1 and 3:

'1. The registration of a trade mark shall confer on the proprietor exclusive rights therein.

...

3. The following, in particular, may be prohibited under paragraph 2:

...

(b) offering the goods or putting them on the market, or stocking them for those purposes, under the sign, or offering or supplying services thereunder;

...

9 Article 15 of that directive, entitled 'Exhaustion of the rights conferred by a trade mark', is worded as follows:

'1. A trade mark shall not entitle the proprietor to prohibit its use in relation to goods which have been put on the market in the Union under that trade mark by the proprietor or with the proprietor's 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.'

#### **Finnish law**

10 Under Finnish law, exhaustion of the rights conferred by a trade mark is the subject of Paragraph 9 of the tavaramerkkilaki (544/2019) (Law on trade marks No 544/2019), of 26 April 2019, entered into force on 1 May 2019. That provision provides, in its subparagraph 1, that a trade mark proprietor may not prohibit the use of the trade mark in relation to goods which have been put on the market in the EEA under that trade mark by the proprietor or with his or her consent. Without prejudice to that subparagraph 1, subparagraph 2 of that provision states that the trade mark proprietor may prohibit the use of that mark in relation to goods if the proprietor has legitimate reasons to oppose further offering or commercialisation of the goods. In particular, the trade mark proprietor may prohibit the use of that mark where the condition of the goods is changed or impaired after they have been put on the market.

11 Paragraph 10(a) of the tavaramerkkilaki (1715/1995) (Law on trade marks No 1715/1995), which was in force until 31 August 2016, and then Paragraph 8 of the tavaramerkkilaki (616/2016) (Law on trade marks No 616/2016), which was in force until 30 April 2019, corresponded, in essence, to Paragraph 9 of the Law on trade marks No 544/2019, applicable from 1 May 2019.

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

12 SodaStream, a multinational entity, manufactures and sells carbonating machines, which allow consumers to

prepare sparkling water and flavoured non-alcoholic beverages from tap water. In Finland, SodaStream markets those machines with a carbon dioxide refillable cylinder, which it also offers for sale separately. The companies making up SodaStream are the proprietors of the EU trade marks and the national trade marks SODASTREAM and Soda-Club. Those marks appear on the labelling of, and are engraved on, the aluminium body of those cylinders.

13 MySoda, a company whose registered office is in Finland, markets in that Member State carbonating machines for beverages under the MySoda trade mark in packaging that does not normally include a carbon dioxide cylinder. Since June 2016, MySoda has been offering for sale carbon dioxide cylinders that are filled in Finland and are compatible with both its own carbonating machines and those of SodaStream. Some of those cylinders were originally put on the market by SodaStream.

14 After receiving from distributors SodaStream cylinders that have been returned empty by consumers, MySoda refills them with carbon dioxide. It replaces the original labels with its own labels, while leaving visible the SodaStream's trade marks engraved on the cylinders.

15 In so doing, MySoda uses two different labels. The former, of pink colour, displays, in large letters, the MySoda logo and the text 'Finnish carbon dioxide for carbonating machines', and, in small letters, the word MySoda, as the company that has filled the cylinder, and a reference to its website for further information. The latter label, of white colour, displays the words 'carbon dioxide' in capital letters in five languages, and included in the product information, written in small letters, is the name MySoda, it being the company that had filled the cylinder, and a statement that that company has no connection with the original supplier of the cylinder or with its company or registered trade mark which appear on the cylinder. That label also includes a reference to the MySoda website for further information.

16 SodaStream brought an action before the markkinaoikeus (Market Court, Finland) seeking a declaration that MySoda had infringed, in Finland, the trade marks SODASTREAM and SODACLUB by putting on the market and selling refilled cylinders of carbon dioxide bearing those trade marks without the authorisation of their proprietors.

17 SodaStream has claimed that MySoda's conduct adversely affects the rights conferred by those marks and creates a significant likelihood of confusion for the public concerned as to the origin of carbon dioxide cylinders by creating the false impression that there is a commercial or economic connection between SodaStream and MySoda.

18 SodaStream has also stated that the carbon dioxide cylinders sold on the Finnish market are not all of the same quality and do not all have the same characteristics. Resellers who fill SodaStream cylinders, without authorisation, do not necessarily have the knowledge and know how required to ensure that those cylinders are used and handled safely and properly. SodaStream

cannot be held liable for damage caused by carbon dioxide cylinders refilled by those resellers.

19 MySoda has replied that changing the label does not adversely affect the function of the trade mark, which is to indicate the origin of the cylinder, since the relevant public understands that the labelling indicates solely the origin of the carbon dioxide and the identity of the reseller who has refilled the cylinder, the origin of which is engraved on the body of that cylinder.

20 By interlocutory judgment of 5 September 2019, the markkinaoikeus (Market Court) upheld in part SodaStream's claims. In doing so, it relied on the judgment of 14 July 2011, Viking Gas ([C-46/10, EU:C:2011:485](#)).

21 That court of first instance held that it had not been shown that MySoda's conduct changed or impaired the carbon dioxide cylinder or its contents, or damaged SodaStream's reputation due to risks to the safety of its goods, or that that conduct caused harm such as to give SodaStream a legitimate reason to oppose that conduct. As regards the white labels, that court took the view that they had not created a false impression as to an economic connection between MySoda and SodaStream. In contrast, it held that the use of pink labels was liable to create the impression in the mind of the average consumer, who is reasonably well-informed and reasonably observant, that there was such a connection. Accordingly, that court held that the use of those pink labels justifies SodaStream opposition to MySoda's conduct.

22 SodaStream and MySoda have been granted leave to appeal against that judgment to the referring court, the Korkein oikeus (Supreme Court, Finland).

23 The referring court sets out, first of all, that EU law does not lay down detailed rules on the conditions for establishing whether there are legitimate reasons justifying the trade mark proprietor to oppose the commercialisation of goods after their placing on the market. The Court's case-law does not provide a clear answer to the questions raised in the case in the main proceedings.

24 First, the Court's case-law does not make it clear whether the conditions set out in the judgment of 11 July 1996, Bristol-Myers Squibb and Others ([C-427/93, C-429/93 and C-436/93, EU:C:1996:282](#)), apply to the repackaging of goods put on the market in the same Member State. Secondly, the referring court asks whether the replacement of the trade mark proprietor's label with a new label must be regarded as repackaging within the meaning of the case-law of the Court of Justice. It questions the importance to be attached to the fact that, in the dispute in the main proceedings, the product concerned consists, first, of the cylinder originating from the trade mark proprietor and, second, of carbon dioxide originating from the reseller. It is not clear whether it is decisive, in that regard, that the relevant public understands that the label indicates solely the origin of carbon dioxide, the origin of the cylinder being identified by means of the trade mark engraved on that cylinder.

25 The referring court takes the view, next, that the facts of the dispute in the main proceedings differ from those which gave rise to the judgment of 14 July 2011, Viking Gas ([C-46/10, EU:C:2011:485](#)). In the latter case, the marks affixed to gas bottles had not been removed or covered, which meant that the condition of the bottles had not been changed by masking their origin. In the present case, the reseller replaced the original label with its own label, which covers most of the cylinder's surface, while leaving visible the original trade mark engraved on the upper part of the cylinder.

26 The referring court notes, lastly, that, if the replacement of the original label were to be considered under the conditions set out in the judgment of 11 July 1996, Bristol-Myers Squibb and Others ([C-427/93, C-429/93 and C-436/93, EU:C:1996:282](#)), the Court's case-law does not make it clear whether, in assessing the condition relating to the need for such replacement, account should be taken of the intended purpose of the goods in question and, if so, in what way. The fact that carbon dioxide cylinders are intended to be reused and refilled numerous times is liable to alter the condition of the original labels. That court seeks to ascertain whether the breaking or detachment of the original label affixed by the proprietor of the trade mark, or the fact that a reseller has replaced that original label with its own label, may be regarded as circumstances which justify that the removal or replacement of the label by that of the reseller be considered to be necessary for the placing on the market of the cylinder refilled by that reseller.

27 In those circumstances, the Korkein oikeus (Supreme Court) decided to stay the proceedings and to refer the following questions to the Court of Justice for a preliminary ruling:

*'(1) Do the so-called Bristol-Myers Squibb criteria developed in the Court of Justice's case-law on repackaging and relabelling in cases of parallel imports, and in particular the condition of "necessity" also apply in the case of repackaging or relabelling of goods, which have been put on the market in a Member State by the trade mark proprietor or with its consent, for the purposes of resale in the same Member State?*

*(2) Where the trade mark proprietor has affixed its trade mark to the cylinder, both on the label and engraved on the neck of the cylinder, when putting a cylinder containing carbon dioxide on the market, do the Bristol-Myers Squibb criteria referred to above, and in particular the condition of "necessity" apply when a third party refills the cylinder with carbon dioxide for the purposes of resale, removes the original label and replaces it with a label bearing its own logo, while, at the same time, the trade mark of the person that put the cylinder on the market continues to be visible in the engraving on the neck of the cylinder?*

*(3) In the situation described above, can the view be taken that the removal and replacement of the label bearing the trade mark undermines, in principle, the function of the trade mark as an indication of the origin of the cylinder, or is it of significance, with regard to the applicability of the conditions for repackaging and relabelling, that:*

– it is to be assumed that the relevant public should perceive the label as referring exclusively to the origin of the carbon dioxide contained in the cylinder (and thus to the person who has refilled the cylinder); or

– it is to be assumed that the relevant public should perceive the label as also referring, at least in part, to the origin of the cylinder?

(4) If the removal and replacement of the label affixed on carbon dioxide cylinders is to be assessed on the basis of the condition of necessity, can the fact that the labels affixed to the cylinders put on the market by the trade mark proprietor have been accidentally damaged or become detached or have been removed and replaced by a person's previous refilling constitute a circumstance on the basis of which the regular replacement of the labels by the label of the person who refilled the cylinders is to be regarded as being necessary for putting the refilled cylinders on the market?

#### Consideration of the questions referred

28 At the outset, it should be noted that the questions referred by the referring court concern, as regards EU trade marks, the interpretation of Article 13(2) of Regulation No 207/2009 and Article 15(2) of Regulation 2017/1001 and, as regards national trade marks, the interpretation of Article 7(2) of Directive 2008/95 and Article 15(2) of Directive 2015/2436.

29 In that regard, it must be stated that the facts of the dispute in the main proceedings began in June 2016 and relate, for a part, to the provisions of Regulation No 207/2009 and Directive 2008/95 and, for the other part, to those of Regulation 2017/1001 and Directive 2015/2436. However, since the relevant provisions of those regulations and directives are drafted in terms which are in substance identical and since, for that reason, the answers to be given to the questions referred by the referring court are the same no matter which regulation or directive, respectively, applies, reference need only be made, for the purposes of answering those questions, to the provisions of Article 15 of Regulation 2017/1001 and of Article 15 of Directive 2015/2436 (see, by analogy, judgment of 9 November 2017, *Maio Marques da Rosa*, C-306/16, EU:C:2017:844, paragraph 32 and the case-law cited).

30 Furthermore, it is apparent from the order for reference that those questions are raised in proceedings arising from subsequent commercialisation, in Finland, of carbon dioxide cylinders manufactured and initially put on the market by SodaStream, which are intended to be reused and refilled numerous times. MySoda, after receiving, through distributors, SodaStream carbon dioxide cylinders that were returned empty by consumers, refills those cylinders, removes the label on which the original trade mark had been affixed and replaces it with its own labels showing the logo of MySoda, while leaving visible the original mark engraved on those cylinders.

31 In the light of those clarifications, it must be considered that the referring court, by its four questions, which it is appropriate to examine together, asks, in essence, whether, and, if so, under what conditions, the

proprietor of a trade mark who has put on the market, in one Member State, goods bearing that mark and intended to be reused and refilled numerous times, is entitled, under Article 15(2) of Regulation 2017/1001 and Article 15(2) of Directive 2015/2436, to oppose further commercialisation of those goods in that Member State, by a reseller who has refilled them and replaced the label showing the original mark by another label, while leaving visible the original mark on those goods.

32 In that regard, it must, first of all, be borne in mind that Article 9 of that regulation and Article 10 of that directive respectively confer on the proprietor of an EU trade mark and on the proprietor of a national trade mark exclusive rights which entitle him or her to prevent any third party, in particular, from offering goods bearing his or her mark, putting them on the market or stocking them for those purposes. Article 15(1) of that regulation and Article 15(1) of that directive contain an exception to that rule, in that they provide that the trade mark proprietor's rights are exhausted where the goods have been put on the market in the EEA under that mark by the proprietor himself or herself, or with his or her consent (see, by analogy, judgment of 14 July 2011, *Viking Gas*, C-46/10, EU:C:2011:485 paragraph 26 and the case-law cited).

33 In particular, as regards Articles 10 and 15 of Directive 2015/2436, it must be further stated that they effect a complete harmonisation of the rules relating to the rights conferred by a trade mark and accordingly define the rights of proprietors of trade marks in the European Union (see, to that effect, judgment of 22 September 2011, *Budějovický Budvar*, C-482/09, EU:C:2011:605, paragraph 32 and the case-law cited, and, by analogy, judgment of 29 July 2019, *Pelham and Others*, C-476/17, EU:C:2019:624, paragraph 85 and the case-law cited).

34 However, under Article 15(2) of Regulation 2017/1001 and Article 15(2) of Directive 2015/2436, the proprietor of a trade mark may provide evidence of legitimate reasons to oppose subsequent commercialisation of goods bearing his or her trade mark, especially where the condition of the goods is changed or impaired after they have been put on the market. That ability to oppose, which amounts to a derogation from the fundamental principle of the free movement of goods, has the sole objective of safeguarding rights which form part of the specific subject matter of the mark, as understood in the light of its essential function (see, to that effect, judgment of 23 April 2002, *Boehringer Ingelheim and Others*, C-143/00, EU:C:2002:246, paragraph 28).

35 Consequently, as the Court has ruled on numerous occasions, the specific purpose of trade mark rights is, in particular, to guarantee to the proprietor of a trade mark that he or she has the right to use that trade mark for the purpose of putting a product into circulation for the first time and thus to protect him or her against competitors wishing to take advantage of the status and reputation of the trade mark by illegally selling goods bearing that mark. In order to determine the exact extent of this right

exclusively conferred on the proprietor of the trade mark, regard must be had to the essential function of the trade mark, which is to guarantee the identity of the origin of the trade marked product to the consumer or end user by enabling him or her, without any possibility of confusion, to distinguish that product from goods having another origin (judgment of 20 December 2017, Schweppes, [C-291/16](#), [EU:C:2017:990](#), paragraph 37 and the case-law cited).

36 Therefore, the question whether the trade mark proprietor may oppose further commercialisation of goods bearing his or her trade mark and, in particular, the steps taken by the reseller concerning the removal of the original labels and the affixing of new labels to those goods, while leaving visible the original mark, must be examined in the light of the legitimate interests of the trade mark proprietor, in particular that of safeguarding the essential function of the trade mark, which is to guarantee the identity of the origin of the marked product to the consumer or end user.

37 As stated **by the Advocate General in point 22** of his Opinion, in so far as it necessarily amounts to a limitation on the fundamental principle of the free movement of goods, the right of the trade mark proprietor to oppose further commercialisation of the goods bearing his or her trade mark is not unlimited.

38 In the present case, it is common ground that the carbon dioxide cylinders in question were put on the market in the EEA for the first time by the proprietors of the EU and the national trade marks affixed to them.

39 In that regard, it must be borne in mind that, according to the case-law of the Court of Justice, the sale of a refillable gas bottle by the proprietor of the marks affixed to it exhausts the rights which that proprietor derives from the registration of those marks and transfers to the purchaser the right to use that bottle freely, including the right to exchange it or have it refilled by an undertaking of his or her choice. That right of the purchaser has, as its corollary, the right of competitors of the proprietor of the marks affixed on that bottle to refill and exchange the empty bottles (see, to that effect, judgment of 14 July 2011, Viking Gas, [C-46/10](#), [EU:C:2011:485](#), paragraph 35).

40 That being so, the activity of a reseller consisting of refilling the cylinders in question, that were returned empty by consumers, and affixing to them its own labels after removing those bearing the original marks, while leaving visible the original mark on the cylinders, is capable of falling within the scope of Article 15(2) of Regulation 2017/1001 and Article 15(2) of Directive 2015/2436.

41 However, as noted in paragraph 34 above, under Article 15(2) of Regulation 2017/1001 and Article 15(2) of Directive 2015/2436, the proprietor of a trade mark is entitled, despite the placing on the market of goods bearing his or her trade mark, to oppose further commercialisation of those goods where legitimate reasons justify such opposition. The situation relating to the alteration or impairment of the condition of goods, which is expressly provided for in those provisions, is given only as an example, since those provisions do not

provide an exhaustive list of legitimate reasons which may exclude the application of the principle of exhaustion (see, to that effect, judgment of 14 July 2011, Viking Gas, [C-46/10](#), [EU:C:2011:485](#), paragraph 36 and the case-law cited).

42 In the context of parallel imports of repackaged pharmaceutical products, the Court has drawn up a list of conditions in order to frame the existence of such reasons in that specific context (see, in particular, judgment of 11 July 1996, Bristol-Myers Squibb and Others, [C-427/93](#), [C-429/93](#) and [C-436/93](#), [EU:C:1996:282](#)).

43 In a context closer to that at issue in the main proceedings, the Court has held that such a legitimate reason also exists when the use by a third party of a sign identical with, or similar to, a trade mark seriously damages the reputation of that mark or when that use is carried out in such a way as to give the impression that there is a commercial connection between the trade mark proprietor and that third party, and in particular that that third party is affiliated to the proprietor's distribution network or that there is a special relationship between those two persons (see, to that effect, judgments of 8 July 2010, Portakabin, [C-558/08](#), [EU:C:2010:416](#), paragraphs 79 and 80, and of 14 July 2011, Viking Gas, [C-46/10](#), [EU:C:2011:485](#), paragraph 37).

44 It follows that a false impression which may arise in the minds of consumers as to whether there is an economic connection between the trade mark proprietor and a reseller is one of the legitimate reasons for which the trade mark proprietor may oppose further commercialisation of goods bearing his or her trade mark by a reseller, in particular where that reseller withdraws the label on which the original mark appears and affixes its own label to that product, while leaving visible the original mark engraved on the product. The fact that the measures taken by the reseller for the purposes of further commercialisation of the goods in question are located within the Member State in which those goods were initially put on the market is not decisive for the purposes of determining whether the trade mark proprietor's opposition is justified by such a legitimate reason.

45 In order to assess whether such a false impression exists, account must be taken of all the circumstances relating to the reseller's activity, such as the way in which the cylinders are presented to consumers following the new labelling and the conditions under which they are sold, in particular the practices of refilling those cylinders which prevail in the sector concerned (see, to that effect, judgment of 14 July 2011, Viking Gas, [C-46/10](#), [EU:C:2011:485](#), paragraphs 39 and 40).

46 Although it is for the referring court to assess whether there is a false impression as to the economic connection between the proprietors of the trade marks and the reseller who refilled the cylinders at issue in the main proceedings, the Court may nevertheless provide that court with all the elements of interpretation under EU law which may be useful to it (see, by analogy, judgment

of 7 April 2022, Berlin Chemie A. Menarini, C-333/20, EU:C:2022:291, paragraph 46 and the case-law cited).

47 Thus, it should be noted, in the first place, that the extent of the information appearing on the new labels is of significant importance. As stated **by the Advocate General in point 51** of his Opinion, the overall impression created by the new label must be assessed in order to determine whether the information relating to the trade mark proprietor, who manufactured the cylinder, and that relating to the reseller, who refilled it, is clear and unambiguous to a consumer, who is reasonably well-informed and reasonably observant. That information, presented on the new label must, in particular, not give the impression that there is an economic connection between the reseller who refilled the cylinder and the proprietor of the original trade mark.

48 In the second place, in order to assess the impression created by the new labelling, account must also be taken of the practices in the sector concerned and the question whether consumers are accustomed to the cylinders being refilled by operators other than the proprietor of the original trade mark.

49 In that regard, the fact that the product at issue is made up of a cylinder intended to be reused and refilled numerous times, as well as its content, may be relevant for the purposes of determining whether there is such a false impression in the minds of consumers. It is true that account must be taken of the fact that, on account of the functional relationship between a cylinder and its content, the general public is likely to consider that both normally have the same commercial origin. However, if it were impossible to use compressed or liquefied gases independent of the metal containers holding them and if that type of cylinder may, accordingly, be regarded as packaging (see, to that effect, judgment of 20 November 2014, Utopia, C-40/14, EU:C:2014:2389, paragraph 40), those cylinders – in so far as they are intended to be reused and refilled numerous times, according to the logic of recycling – will not necessarily be perceived as having the same commercial origin as the gas which they contain.

50 As regards, in particular, the conditions to refill empty cylinders, it must be assumed, as stated **by the Advocate General in point 56** of his Opinion, that a consumer, who goes directly to an operator other than the proprietor of the original mark to have an empty cylinder refilled or to exchange it for a refilled cylinder, will be more readily in a position to be aware that there is no economic connection between that competitor and the trade mark proprietor.

51 In the present case, as is apparent from the order for reference and the written observations of the parties to the main proceedings, neither the proprietors of the original trade marks nor the reseller offer their carbon dioxide cylinders directly to consumers, since those cylinders are available for sale only in the distributors' shops.

52 The absence of direct contact with the reseller may give rise to a likelihood of confusion in the minds of consumers as to the relationship between that reseller and the proprietors of the original trade marks. Such a

situation is therefore liable to prevent the essential function of the trade mark, referred to in paragraph 35 of this judgment, from being fulfilled, and thus to justify the application of Article 15(2) of Directive 2015/2436 and Article 15(2) of Regulation 2017/1001.

53 In the third place, it follows from the case-law of the Court that the fact that the original mark of the cylinder remains visible in spite of the additional labelling affixed by the reseller constitutes a relevant factor in so far as it seems to rule out that the labelling changed the condition of the cylinders by masking their origin (see, to that effect, judgment of 14 July 2011, Viking Gas, **C-46/10, EU:C:2011:485**, paragraph 41).

54 In the light of all the foregoing considerations, the answer to the questions referred is that Article 15(2) of Regulation 2017/1001 and Article 15(2) of Directive 2015/2436 must be interpreted as meaning that the proprietor of a trade mark who has put on the market, in a Member State, goods bearing that mark and intended to be reused and refilled numerous times, is not entitled, under those provisions, to oppose subsequent commercialisation of those goods, in that Member State, by a reseller who has refilled them and has replaced the label on which the original mark appeared, by another label, while leaving visible the original mark on those goods, unless that new labelling creates a false impression, in the minds of consumers, that there is an economic connection between the reseller and the trade mark proprietor. That likelihood of confusion must be assessed globally in the light of the information appearing on the product and its new labelling and having regard to the distribution practices of the sector concerned and the level of knowledge that consumers have of those practices.

#### Costs

55 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the referring 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 (Fifth Chamber) hereby rules:

*Article 15(2) of Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark and Article 15(2) 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*

*must be interpreted as meaning that the proprietor of a trade mark who has put on the market, in a Member State, goods bearing that mark and intended to be reused and refilled numerous times, is not entitled, under those provisions, to oppose subsequent commercialisation of those goods, in that Member State, by a reseller who has refilled them and has replaced the label on which the original mark appeared by another label, while leaving visible the original mark on those goods, unless that new labelling creates a false impression, in the minds of consumers, that there is an economic connection*

*between the reseller and the trade mark proprietor. That likelihood of confusion must be assessed globally in the light of the information appearing on the product and its new labelling and having regard to the distribution practices of the sector concerned and the level of knowledge that consumers have of those practices.*

## OPINION OF ADVOCATE GENERAL

PITRUZZELLA

delivered on 12 May 2022 (1)

Case C-197/21

Soda-Club (CO<sub>2</sub>) SA,

SodaStream International BV

v

MySoda Oy

(Reference for a preliminary ruling from the Korkein oikeus (Supreme Court, Finland))

(Request for a preliminary ruling – Trade marks – Exhaustion – Refillable cylinders containing carbon dioxide – Putting on the market in a Member State by the trade mark proprietor or with his consent – Resale by a third party, after repackaging and affixing the latter’s trade mark to the product, in the same Member State – Trade mark of the cylinder put on the market still visible engraved on the neck of the cylinder – Repackaging – Criteria in the judgment in Bristol-Meyers Squibb and Others – Application to non-pharmaceutical goods – Application to a situation concerning a single Member State – Criterion of necessity – Impression of an economic link)

1. The 21st century is characterised by widespread awareness of the impact that our consumption patterns have on fundamental issues such as, in particular, the protection of the environment. In its 2015 Communication entitled ‘Closing the loop – An EU action plan for the circular economy’, (2) the European Commission extolled the virtues of a circular economy by stating that: ‘The transition to a more circular economy, where the value of products, materials and resources is maintained in the economy for as long as possible, and the generation of waste minimised, is an essential contribution to the European Union’s efforts to develop a sustainable, low carbon, resource efficient and competitive economy.’ That circularity of the economy implies that products put on the market for the first time within the European Union by trade mark proprietors will be reused, refilled or recharged before subsequently being put back on the market. This is the background to the present reference for a preliminary ruling which gives the Court the opportunity to specify under what conditions the necessary reconciliation between the legitimate interests of trade mark proprietors and those of third parties reusing and reselling their goods must take place.

### I. Legal framework

#### A. European Union Law

##### 1. Regulation (EU) 2017/1001

2. Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (3) repealed and replaced,

as from 1 October 2017, Regulation (EC) No 207/2009. (4)

3. Article 15 of Regulation 2017/1001, entitled ‘Exhaustion of the rights conferred by an EU trade mark’, provides:

*‘1. An 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 Economic Area 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. Directive (EU) 2015/2436

4. Article 15 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, (5) entitled ‘Exhaustion of the rights conferred by a trade mark’, is worded as follows: (6)

*‘1. A trade mark shall not entitle the proprietor to prohibit its use in relation to goods which have been put on the market in the Union under that trade mark by the proprietor or with the proprietor’s 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.’*

### B. Finnish Law

5. Paragraph 9(1) of the Tavaramerkkilaki (544/2019) (Law on trade marks No 544/2019) of 26 April 2019 is applicable to national trade marks as from 1 May 2019. It provides that a trade mark proprietor may not prohibit the use of the trade mark in relation to goods which have been put on the market in the European Economic Area under that trade mark by the proprietor or with the proprietor’s consent. According to subparagraph 2 of that paragraph 9, without prejudice to subparagraph 1, the trade mark proprietor may prohibit the use of the trade mark in relation to goods if the proprietor has a legitimate reason to oppose the further offering or putting on the market of the goods. In particular, the trade mark proprietor may prohibit the use of the trade mark where the condition of the goods is changed or impaired after they have been put on the market. (7)

### II. The dispute in the main proceedings, the questions referred for a preliminary ruling and the procedure before the Court

6. Soda-Club (CO<sub>2</sub>) SA and SodaStream International BV (together ‘SodaStream’) manufacture and sell domestic carbonating machines for use by private individuals. The machines make it easy to prepare sparkling water and flavoured non-alcoholic beverages from tap water. In Finland, the machines are marketed under the SODASTREAM trade mark. The sales packaging of the machines contains, inter alia, the machine in question and a refillable aluminium CO<sub>2</sub> cylinder engraved with the SODASTREAM or SODA-CLUB trade mark. The cylinder also bears a label



displaying one or the other of those trade marks. SodaStream also sells individual CO<sub>2</sub> cylinders after refilling them. SodaStream is the proprietor of the EU and national trade marks SODASTREAM and SODA-CLUB. The registered trade marks SODASTREAM and SODA-CLUB cover both the cylinders in question and the carbon dioxide.

7. MySoda Oy has its seat in Finland. It distributes, there, machines similar to those sold by SodaStream under the MYSODA trade mark in packaging that does not contain a cylinder. Since 2016, MySoda has distributed in Finland filled CO<sub>2</sub> cylinders that are compatible with, *inter alia*, its own carbonating machines and those of SodaStream. The CO<sub>2</sub> cylinders filled and sold by MySoda include refillable cylinders originally put on the market by SodaStream. MySoda receives from distributors the empty CO<sub>2</sub> cylinders originating from SodaStream and returned by consumers. It then removes the SodaStream label from the cylinders, refills the cylinders and affixes its own label. It is common ground that the label is affixed in such a way that the engravings on those cylinders, including the SODASTREAM or SODA-CLUB trade marks, remain visible.

8. CO<sub>2</sub> cylinders are available at retail outlets in Finland. Neither SodaStream nor MySoda have their own stores.

9. MySoda used two different labels. The so-called 'pink' label displayed in large letters the MySoda logo along with the text 'Finnish carbon dioxide for carbonating machines'. The fine print included product information, a reference to the company that had filled the cylinder and a reference to its website for further information. The so-called 'white' label displayed, in capital letters and in five different languages, the word 'carbon dioxide'. Product information, that is to say the name of the company that filled the cylinder, a statement that that company has no connection with the original supplier of the cylinder or with its company or its marks visible on the cylinder, as well as a reference to the MySoda website, were written there in small characters.

10. Considering that that conduct adversely affected the rights conferred by the mark and that it had several legitimate reasons to oppose it, SodaStream brought an action against MySoda seeking a declaration that MySoda had infringed its trade marks in Finland by using them, without authorisation, in its commercial activities by putting on the market and selling such refilled CO<sub>2</sub> cylinders bearing those trade marks, on which the trade mark of MySoda was also affixed, after having removed and replaced the original labels, without the consent of SodaStream, or on refilled cylinders on which the original labels belonging thereto had been replaced by new labels. SodaStream seeks an injunction against what it considers to be infringing conduct and asserts claims for compensation.

11. In an interlocutory judgment of 5 September 2019, the markkinaoikeus (Market Court, Finland) upheld SodaStream's claims in so far as MySoda had used pink labels, and rejected the claims with regard to the white labels. The markkinaoikeus (Market Court) found that the exclusive right conferred by SodaStream's trade

marks had been exhausted in respect of the CO<sub>2</sub> cylinders originally put on the market by it. To oppose MySoda's conduct, SodaStream therefore had to demonstrate a legitimate reason. After dismissing the criteria laid down in the judgment in *Bristol-Myers Squibb and Others* (8) on the ground that the present case between SodaStream and MySoda did not concern parallel imports, the markkinaoikeus (Market Court) relied on the judgment in *Viking Gas* (9) to consider that MySoda's conduct neither changed nor impaired the CO<sub>2</sub> cylinders originally put on the market by SodaStream or their contents. Moreover, MySoda's conduct neither damaged SodaStream's reputation nor caused it harm such as would constitute a legitimate reason to oppose MySoda's conduct. While the court took the view that MySoda had not created a false impression of an economic link between itself and SodaStream in so far as it had used white labels, the court held that the use of the pink label was liable to create the impression in the mind of the average consumer, who is reasonably well-informed and reasonably observant and circumspect, that there was some kind of economic link between SodaStream and MySoda. On account, in particular, of the dominant position of the MySoda logo placed on the pink label, the Court took the view that it was liable to create the impression in the mind of that consumer that the CO<sub>2</sub> cylinder originated from MySoda. SodaStream therefore had a legitimate reason to oppose MySoda's conduct relating to the use of the pink labels.

12. SodaStream and MySoda appealed against the interlocutory judgment before the Korkein oikeus (Supreme Court, Finland) which granted both parties leave to appeal.

13. SodaStream submits that, by removing the label bearing its trade mark and indicating the origin of the CO<sub>2</sub> cylinder and by affixing a new label, MySoda's conduct constitutes relabelling of a product which is such as to jeopardise the trade mark's function as a guarantee of origin and to which the criteria laid down in the judgment in *Bristol-Myers Squibb and Others*, or at any rate the criterion of necessity, must therefore be applied. The replacement of the label under the conditions described above is not necessary in order for the refilled CO<sub>2</sub> cylinders to be put on the market, since it is possible for the information regarding the company that refills the cylinder to be provided in a way that interferes less with the rights of the trade mark proprietor, for example by affixing an adhesive label to the cylinder. SodaStream is therefore entitled to oppose MySoda's conduct. SodaStream also invokes as a legitimate reason the false impression, created by MySoda's conduct, of an economic link between itself and MySoda.

14. MySoda maintains that the criteria laid down in the judgment in *Bristol-Myers Squibb and Others* do not apply in a situation such as that at issue in the present case, since it involves trade within one Member State. MySoda's conduct cannot be equated with the repackaging of an original product sold by way of parallel imports. The replacement of the label does not

jeopardise the trade mark's function because the relevant public will understand that the label indicates only the origin of the carbon dioxide in the cylinder and the company that refills the cylinder, while the engraving on the latter indicating its origin remains visible. In any event, the replacement of the SodaStream label is necessary because affixing a simple sticker to the refilled cylinder could create greater confusion as to who last filled it, in so far as the cylinders are intended to be refilled multiple times. The replacement of the label avoids the situation where the same product has more than one barcode and is, moreover, often necessary where the original label has been damaged or has become detached. MySoda submits that its conduct is in line with an established practice in the industry in Finland, which is also followed by SodaStream itself. Lastly, MySoda clarified, before the referring court, that it is not the only company operating on the market refilling CO<sub>2</sub> cylinders and that it is therefore possible that the labels that it removes may be the labels of previous refilling companies other than SodaStream.

15. The referring court considers that EU law does not contain clear and detailed rules on the conditions under which a trade mark proprietor has a legitimate reason to oppose further commercialisation of goods put on the market. In accordance with the Court's settled case-law, there is a risk, at least in relation to the repackaging of pharmaceutical products which are the subject of parallel importation including relabelling, that the guarantee of origin of the trade mark may be undermined. Such repackaging is therefore prejudicial to the specific subject matter of the mark. (10) According to settled case-law, the proprietor of the trade mark may prohibit the sale of repackaged products, unless the distributor demonstrates that the conduct satisfies the criteria laid down in the judgment in *Bristol-Myers Squibb and Others*. (11) The trade mark proprietor may therefore prohibit the repackaging of a product, unless the repackaging is necessary in order to enable the marketing of the products imported in parallel and the legitimate interests of the proprietor are also safeguarded. (12) The referring court also notes that it follows from the judgment in *Viking Gas*, in which no reference is made, however, either to the Court's case-law on the repackaging of products, or to the criteria laid down in the judgment in *Bristol-Myers Squibb and Others*, that, where a company that has refilled gas cylinders put on the market in the same Member State has affixed its own labels to those cylinders, there may exist a legitimate reason to oppose the conduct of the company that refills the bottle, in particular when the use made of the mark gives the impression that there is a commercial connection between the trade mark proprietor and the company that refilled it. (13)

16. The referring court notes, on the one hand, that it is not apparent from the Court's case-law that the criterion of necessity, as laid down in the judgment in *Bristol-Myers Squibb and Others*, applies to the repackaging of goods which have been put on the market in the same Member State. The referring court is not sure whether MySoda's conduct is to be regarded as 'repackaging'

within the meaning of the Court's case-law, given that, in the dispute in the main proceedings, the cylinders are intended to be refilled multiple times. The referring court also asks whether it is of decisive importance that the relevant public understands that the label indicates exclusively the origin of the carbon dioxide in the cylinder, even though the proprietor of the trade mark, when originally putting the CO<sub>2</sub> cylinder on the market, affixed its own label to the cylinder bearing its trade mark indicating the origin of the CO<sub>2</sub> cylinder. Furthermore, it is not clear whether the conclusions drawn from the judgment in *Viking Gas* can be applied to the dispute in the main proceedings, since that judgment concerned a case in which the trade marks that had been affixed to the gas bottles by the trade mark proprietor which had originally put them on the market had not been removed from them or concealed. In the dispute in the main proceedings, only the trade mark in the engraving on the neck of the CO<sub>2</sub> cylinder remains visible.

17. On the other hand, in the light of the Court's case-law and, in particular, the judgment in *Loendersloot*, (14) the mere application to the cylinders in question of a sticker with the additional information may suffice, without it being necessary to remove the original label of the trade mark proprietor who put the cylinders on the market. It is also apparent from the case-law that the criterion of necessity is not satisfied if the conduct in question is aimed solely at attempting to secure a commercial advantage. (15) Refilled CO<sub>2</sub> cylinders must provide information about the company that refills the cylinders. Assuming that the criteria laid down in the judgment in *Bristol-Myers Squibb and Others* are applicable, and in particular the criterion of necessity, the referring court asks whether the intended use of the cylinders must be taken into account. The fact that the CO<sub>2</sub> cylinders are intended to be refilled for reuse begs the question of the permanent nature over time of the labels affixed by the trade mark proprietor which put the CO<sub>2</sub> cylinders on the market. More specifically, it is open to interpretation whether the fact that a label affixed to the cylinder by the trade mark proprietor has been damaged or become detached or the fact that another refilling company may have already previously replaced the original label with its own, may constitute a circumstance on the basis of which the substitution of the label or the replacement thereof with that of the refilling company can be deemed to be necessary for the marketing of the refilled cylinder.

18. In those circumstances the *Korkein oikeus* (Supreme Court) decided to stay the proceedings and, by decision received at the Court Registry on 29 March 2021, to refer the following questions to the Court of Justice for a preliminary ruling:

*'(1) Do the so-called Bristol-Myers Squibb criteria developed in the Court of Justice's case-law on repackaging and relabelling in cases of parallel imports, and in particular the so-called condition of necessity also apply in the case of repackaging or relabelling of goods, which had been put on the market in a Member*

*State by the trade mark proprietor or with its consent, for the purposes of resale in the same Member State?*

*(2) Where the trade mark proprietor has affixed its trade mark to the cylinder, both on the label and engraved on the neck of the cylinder, when putting a cylinder containing carbon dioxide on the market, do the Bristol-Myers Squibb criteria referred to above, and in particular the so-called condition of necessity also apply when a third party refills the cylinder with carbon dioxide for the purposes of resale, removes the original label and replaces it with a label bearing that third party's own trade mark, while at the same time the trade mark of the person that put the cylinder on the market continues to be visible in the engraving on the neck of the cylinder?*

*(3) In the situation described above, can the view be taken that the removal and replacement of the label bearing the trade mark jeopardises, in principle, the function of the trade mark as a guarantee of the origin of the cylinder, or is it of significance, with regard to the applicability of the conditions for repackaging and relabelling, that*

*– it is to be assumed that the target public should perceive the label as referring exclusively to the origin of the carbon dioxide (and thus to the company that refills the cylinder); or*

*– it is to be assumed that the target public should perceive the label as also referring, at least in part, to the origin of the cylinder?*

*(4) If the removal and replacement of the label on CO<sub>2</sub> cylinders is to be assessed on the basis of the condition of necessity, can the fact that the labels affixed to the cylinders put on the market by the trade mark proprietor have been accidentally damaged or become detached or have been removed and replaced by a previous refilling company constitute a circumstance on the basis of which the replacement of the labels by a label of the refilling company, a process regularly carried out by the latter, is to be regarded as being necessary for putting the refilled cylinders on the market?'*

19. Written observations were submitted before the Court by MySoda, SodaStream, the Finnish Government and the European Commission.

### III. Analysis

20. Before analysing the questions referred to the Court, I note that I will refer in this Opinion to the relevant provisions of Regulation 2017/1001 and Directive 2015/2436, namely, in particular, Article 15 of Regulation 2017/1001 and Article 15 of Directive 2015/2436. (16) In so far as the acts attributed to MySoda began in 2016, and given the similarity between the provisions concerning the exhaustion of the rights conferred by national and EU trade marks, the conclusions reached with regard to Article 15 of Regulation 2017/1001 and Article 15 of Directive 2015/2436 will also apply to the interpretation of corresponding provisions contained in the acts previously in force. (17) For that same reason, the Court's case-law relating to those earlier provisions remains relevant to the resolution of the case in the main proceedings.

### A. The first, second and fourth questions

21. By its first, second and fourth questions referred for a preliminary ruling, which I believe should be examined together, the referring court asks whether the criteria laid down in the judgment in Bristol-Myers Squibb and Others are intended to apply in a case where goods originally put on the market in the European Union by the trade mark proprietor are resold by a third party in the same Member State as that in which they were originally marketed. It asks, moreover, whether those criteria, and in particular the criterion of necessity, apply when a third party refills the cylinder with carbon dioxide for the purposes of resale, removes the original label and replaces it with its own label, while at the same time the trade mark proprietor's trade mark continues to be visible in the engraving on the neck of the cylinder. Lastly, the referring court asks what the effect might be, on the assessment of the necessity of the repackaging of goods, of the fact that, by their nature, the labels affixed by the trade mark proprietor on cylinders that are intended to be refilled and resold multiple times will be damaged or become detached, thus making the regular replacement thereof necessary for the further commercialisation of the cylinders. Those questions are asked in order to determine whether SodaStream is entitled to oppose MySoda's conduct.

22. Such a right to raise a reasoned objection, which amounts to a derogation from the fundamental principle of the free movement of goods, has the sole objective of safeguarding rights which form part of the specific subject matter of the mark, as understood in the light of its essential function. (18) The specific purpose of trade mark rights is, in particular, to guarantee to the proprietor of a trade mark that he has the right to use that trade mark for the purpose of putting a product into circulation for the first time and thus to protect him against competitors wishing to take advantage of the status and reputation of the trade mark by selling goods illegally bearing that mark. (19) The essential function of the trade mark is to guarantee the identity of the origin of the trade-marked product to the consumer or end user by enabling him or her, without any possibility of confusion, to distinguish that product from goods having another origin. (20) However, in so far as it necessarily amounts to a limitation on the fundamental principle of the free movement of goods, the right of the trade mark proprietor to oppose the further commercialisation of goods bearing its trade mark is not without limit.

23. The question of the exhaustion of the right conferred by the EU or national trade mark is thus regulated by Article 15 of Regulation 2017/1001 and Article 15 of Directive 2015/2436. Those provisions seek in particular, in similar terms, to reconcile the fundamental interest in protecting trade-mark rights with the fundamental interest in free movement of goods between Member States. (21) It follows from those provisions that the trade-mark proprietor cannot, in principle, oppose use of that trade mark once it has been put on the market by the trade-mark proprietor or with his consent. (22) The principle of the exhaustion of the right conferred by the mark laid down by those two provisions

therefore constitutes the limit to the exclusive rights otherwise conferred on trade-mark proprietors. The relationship between that exclusivity and the free movement of goods has been illustrated on several occasions in the Court's case-law. (23) Consequently, if the ownership of the trade mark leads, per se, to a necessary restriction on the free movement of goods in the name of the protection of industrial and commercial property, the extent of that protection decreases as the anti-competitive risks for the market, in particular partitioning, emerge.

24. It is common ground between the parties that the cylinders in question were put on the market for the first time in Finland by SodaStream, the trade mark proprietor. In the light of the foregoing, the trade mark proprietor is not entitled to oppose the conduct at issue in the main proceedings.

25. However, there is no exhaustion of the rights conferred by the mark if the trade mark proprietor establishes that there exist legitimate reasons to oppose further commercialisation of the goods. (24) Although alteration or impairment of the condition of the goods are mentioned in Article 15(2) of Regulation 2017/1001 and in Article 15(2) of Directive 2015/2436, as examples, those provisions do not provide an exhaustive list of legitimate reasons on the basis of which not to apply the principle of exhaustion. (25)

26. In the context of a parallel importation of pharmaceutical products, the Court has held, in particular, that Article 7(2) of First Directive 89/104 is to be interpreted as meaning that the trade mark owner may legitimately oppose the further marketing of a pharmaceutical product where the importer has repackaged the product and reattached the proprietor's trade mark unless, first, it is established that reliance on trade mark rights by the owner in order to oppose the marketing of repackaged products under that trade mark would contribute to the artificial partitioning of the markets between Member States; second, it is shown that the repackaging cannot affect the original condition of the product inside the packaging; third, the new packaging clearly states who repackaged the product and the name of the manufacturer; fourth, the presentation of the repackaged product is not such as to be liable to damage the reputation of the trade mark and of its owner; and, fifth, the importer gives notice to the trade mark owner before the repackaged product is put on sale, and, on demand, supplies him with a specimen of the repackaged product. (26) For the trade mark proprietor to be able lawfully to oppose further marketing of a repackaged pharmaceutical product bearing its trade mark, it is sufficient that one of the criteria set out in the judgment in Bristol-Myers Squibb and Others is not fulfilled. (27)

27. Assessing SodaStream's entitlement to oppose MySoda's conduct thus requires determining whether that conduct constitutes repackaging within the meaning of the Court's case-law (second question). (28) It is then necessary to determine whether the guidance to be derived from the judgment in Bristol-Myers Squibb and Others applies only to situations concerning parallel

importation which necessarily involve the marketing of the product in question in the territory of a Member State other than the Member State in which the product was put on the market for the first time (first question). Lastly, it must be assessed whether the criteria laid down in the judgment in Bristol-Myers Squibb and Others were specifically laid down having regard to the specific goods at issue – that is to say pharmaceutical products – before the application of the criterion of necessity, within the meaning of that judgment, can be considered in the circumstances of the dispute in the main proceedings.

### **1. The existence of repackaging**

28. With regard to the question whether MySoda's conduct at issue in the main proceedings constitutes repackaging, the Court has already held, albeit in different circumstances, that *'the relabelling of the trade-marked medicinal products, just like the re-boxing of those products, are prejudicial to the specific subject matter of the mark ... The change brought about by any new carton or relabelling of a trade-marked medicinal product creates by its very nature real risks for the guarantee of origin which the mark seeks to protect'*.

(29) The Court has subsequently clarified that the attachment of a small label to the original packaging of a medical device which, moreover, remained intact and had not been opened, which does not conceal the mark and which merely designates the parallel importer as responsible for placing it on the market by setting out his details, a barcode and a central pharmacological number, cannot constitute repackaging. In so far as it is not likely to affect the specific purpose of the mark, such conduct is not a legitimate reason that justifies the proprietor of the mark opposing the further commercialisation of the product concerned. (30) However, I take the view that it is not possible to liken the conduct at issue in the main proceedings described in point 9 above to the aforementioned circumstances. MySoda opens the CO<sub>2</sub> cylinders, handles them, inspects them, cleans them, then refills them before sealing them and relabelling them. (31) It cannot be ruled out that the specific purpose of the mark may, by the same token, be affected, even though the SodaStream trade mark engraved on the neck of the cylinder remains visible. (32) There is therefore repackaging of the CO<sub>2</sub> cylinders originally put on the Finnish market by SodaStream.

### **2. The applicability, in the context of the dispute in the main proceedings, of the criteria laid down in the judgment in Bristol-Myers Squibb and Other**

29. With regard to the question of the link between the criteria laid down in the judgment in Bristol-Myers Squibb and Others and situations of parallel importation, I note at the outset that, if the dispute in the main proceedings does indeed relate to a situation taking place on the Finnish market, the labels affixed by MySoda are in five languages, thus indicating the possibility of distributing the refilled cylinders beyond Finnish territory.

30. I also note that the criteria laid down in the judgment in Bristol-Myers Squibb and Others are, at least from the point of view of their formulation, fully applicable to a

situation such as that at issue in the main proceedings since they relate, ultimately, to the scope of the protection conferred by the trade mark and its limits. In that regard, I share SodaStream's view that the interests of the trade mark proprietor to be protected against possible prejudice to the guarantee of the origin of the product bearing its trade mark are the same whether the prejudice occurs on the territory of the same Member State as that in which the product in question was put on the market for the first time or on the territory of a different Member State.

31. Above all, the protection of intellectual property cannot go so far as to legitimise a captive market, and therefore distort competition. (33) I take the view that the risks for the market are comparable where opposition to repackaging may have the immediate effect of contributing to the artificial partitioning of the market, even at national level. I am therefore inclined to consider, together with the Commission, that the limitation of the practice to a single Member State is not decisive when determining whether the criteria laid down in the judgment in *Bristol-Myers Squibb and Others* are applicable. If it were to be held otherwise, the risk would be to afford SodaStream the possibility of benefitting unconditionally from the future resale of its own products. Admittedly, the Court did not refer to the judgment in *Bristol-Myers Squibb and Others* in its judgment in *Viking Gas*, even though it also concerned the refilling of gas cylinders limited to the territory of a single Member State. However, the operation in question was different, analysed, first of all, from the perspective of freedom of choice and the property rights of the consumer which purchased the gas cylinder when it was first put on the market. (34) The question of the right of competitors to have the gas cylinder refilled or to exchange it is examined only at the very end of the analysis, (35) with the Court merely recalling, in the operative part, the existence of a 'proper reason', without specifying the conditions. (36) Furthermore, as the referring court rightly pointed out, the mark at issue had neither been removed, nor concealed.

32. As to whether the criteria laid down in the judgment in *Bristol-Myers Squibb and Others* are specific to pharmaceutical products and medical devices, on the one hand, on reading that judgment, those criteria do not seem to be limited to such products (37) and, on the other, the Court has already held that this is not the case, (38) in so far as the application of those criteria is triggered not by the quality of the goods but by the fact that a product bearing the trade mark has been subject to interference by a third party, without the authorisation of the trade mark proprietor, which is liable to impair the guarantee of origin provided by the trade mark. (39) I do not therefore share the Commission's reading of paragraphs 27 and 28 of the judgment in *Junek Europ-Vertrieb*, (40) because it is not apparent from those paragraphs that the Court excluded, in principle, the application of the criteria laid down in the judgment in *Bristol-Myers Squibb and Others* to non-pharmaceutical products. In my view, those paragraphs merely give a brief account of the context, in particular the factual

context, which led to the adoption of the Court's earlier case-law.

33. It therefore follows from all the foregoing elements that nothing appears to preclude the criterion of necessity as laid down in the judgment in *Bristol-Myers Squibb and Others* from being applied in the context of the dispute in the main proceedings.

### **3. The criterion of necessity within the meaning of the judgment in *Bristol-Myers Squibb and Others***

34. It follows from that criterion, as worded in the judgment in *Bristol Myers Squibb and Others*, that the trade mark owner may legitimately oppose the further marketing of a product where the importer has repackaged the product and reaffixed the trade mark unless it is established that reliance on trade mark rights by the owner in order to oppose the marketing of repackaged products under that trade mark would contribute to the artificial partitioning of the markets between Member States – or, in the present case, the national (secondary) market. According to the Court, such is the case, in particular, where the repackaging is necessary in order to market the product in the Member State of importation, and also carried out in such conditions that the original condition of the product cannot be affected by it. (41) The power of the owner of trade mark rights protected in a Member State to oppose the marketing of repackaged products under the trade mark should be limited only in so far as the repackaging undertaken by the importer is necessary in order to market the product. (42) In all cases, the criterion of necessity will be examined in the light of the essential function of the trade mark. (43)

35. Accordingly, repackaging is necessary in order to enable the marketing of the product concerned in another Member State where the change brought about by repackaging is required by relevant rules and practices. (44) Conversely, the Court has held that repackaging is not necessary if repackaging of the product is explicable solely by the parallel importer's attempt to secure a commercial advantage. (45)

36. The criterion of necessity will be assessed only in terms of repackaging the product for the purposes of allowing the further marketing of the product and not the manner or style in which it has been repackaged. (46) However, the criterion of necessity is not self-sufficient in so far as, once it has been established that repackaging is necessary, it must be ensured that the interests of the trade mark proprietor have also been safeguarded in order to conclude that the proprietor cannot oppose the resale of his or her product, (47) and it is at that subsequent stage that the manner or style in which the product has been repackaged will be examined.

37. Account must also be taken, in the analysis of the criterion of necessity, of the role played by the trade mark in a system of undistorted competition. As the Commission has argued, I consider that the criterion relating to the necessity of repackaging must be applied in the light of the requirement to reconcile the interests of trade mark proprietors and, in the present case, those of third parties reselling the goods. I note, in that regard, that MySoda's conduct is much more than simply

reselling a cylinder that has already been put on the market, since that cylinder will be refilled with carbon dioxide by MySoda.

38. While it will be for the referring court to determine whether, in the light of the circumstances specific to the dispute in the main proceedings, the repackaging carried out by MySoda is necessary for the purposes of allowing the further marketing of refilled CO<sub>2</sub> cylinders, the referring court clearly asks the Court to guide that assessment.

39. SodaStream puts on the market products that are intended to be reused. (48) It criticises MySoda itself for organising the reuse and refilling of cylinders bearing the SodaStream trade mark. SodaStream has no other legal means to oppose MySoda's conduct – which, moreover, seems to be accepted and regulated by legislation at national level at least, in the case of a substance classified as being dangerous such as carbon dioxide – than to assert its trade mark rights over the cylinder.

40. Therefore, it must be either one or the other.

41. On the one hand, in so far as MySoda's conduct appears lawful and consistent with the intended purpose of the products put on the market by SodaStream, let us suppose that MySoda continues refilling the cylinders but that it is prohibited, in the name of the rights conferred by the mark, to remove the label. A product to which added value has clearly then been conferred by a company which is not the trade mark proprietor, but which bears only the latter's label would therefore be in circulation. The mark as a guarantee of origin has full effect with regard to the cylinder but has no effect so far as concerns the gas itself and the refilling of the cylinder. Such purely theoretical circumstances would, moreover, be problematic with regard to assigning responsibility in the event of problems following refilling since that responsibility could, erroneously, appear to fall on the proprietor of the trade mark on the cylinder, and not on the company refilling the cylinder. As I stated above, MySoda is not exclusively reselling the cylinder. In such circumstances, the label would not reflect the real condition of the product as it should, by its intended use, be marketed on the secondary market.

42. On the other hand, if SodaStream's argument which asserts continuous protection of its trade mark, beyond the product being put on the market for the first time, affixed to a reusable product, were followed, such an argument would have the effect of preventing any changes being made by a third-party operator to refillable cylinders. Only SodaStream could therefore legitimately refill and resell the cylinders, even though the protection conferred by the mark and the right of opposition which it confers on its proprietor concerns only the cylinders in question, and not further operations, and cannot have the effect of partitioning the markets and, therefore, of distorting competition. (49) It is apparent from SodaStream's submissions that it considers it essential to ensure that only the CO<sub>2</sub> cylinders that it has been able to guarantee to be safe and correctly refilled are marketed under its trade marks. The referring court appears to be in the best position to

arbitrate between that argument seemingly relating to safety (50) and the possible manipulation thereof for anti-competitive purposes. (51)

43. In these specific circumstances, in the light of the nature and intended purpose of the products, their repackaging, understood as any changes made (opening, cleaning, verification), the refilling of cylinders that have already been put on the market and, perhaps above all their relabelling, seems to me a priori necessary for the intended use of those refillable cylinders and for the secondary market to be accessible to independent operators. Relabelling, provided that it is carried out under conditions that are clear and not misleading, contributes paradoxically, in my view, to the protection of the essential function of trade marks, whether it is the trade mark of the company that put the cylinder on the market for the first time or the trade mark of the company refilling the cylinder for resale. Still in my view, the criterion of necessity is therefore met for that reason alone, especially since it must be assessed in the light of the specific circumstances of the case, taking into account, in particular, any differences with the circumstances of the dispute in the main proceedings in the judgment in Bristol-Myers Squibb and Others. Having regard to the service life of CO<sub>2</sub> cylinders which, according to MySoda, can be refilled a hundred times, I can accept the fact that the condition of the original label will deteriorate and that, in the envisaged circumstances in which the cylinder is refilled numerous times by different operators, the company that relabelled the cylinder most recently is not necessarily the company that removed the original label.

#### **4. Conclusion**

44. It follows from the foregoing that, in the context of the dispute in the main proceedings, Article 15(2) of Regulation 2017/1001 and Article 15(2) of Directive 2015/2436 must be interpreted as meaning that the trade mark proprietor may legitimately oppose the further marketing, on the territory of the same Member State as that in which the CO<sub>2</sub> cylinders were put on the market for the first time by the trade mark proprietor or with his consent, by a third party of those cylinders which were refilled by that third party when it repackaged the cylinders and reaffixed its trade mark, unless it is established that such opposition would contribute to the artificial partitioning of the market. In order to assess the existence of such a risk, it is for the referring court to verify whether the repackaging, having regard to the nature of the product concerned and its intended purpose, was necessary in order to ensure third party access to the market for the refilling of carbon dioxide cylinders. If the referring court were to conclude that the repackaging carried out by the third party was necessary, it would still have to ensure that the legitimate interests of the trade mark proprietor are, moreover, safeguarded.

#### **B. The third question**

45. By its third question, the referring court asks whether the removal and replacement of the label on which the trade mark is affixed prejudices, in principle, the function of the trade mark or whether it still has to be assessed, for the purposes of applying the conditions

relating to repackaging and relabelling, whether the relevant public understands that the label exclusively indicates the origin of the carbon dioxide or whether, on the contrary, the relevant public are deemed to understand that the label also indicates, at least in part, the origin of the cylinder. (52)

46. Like SodaStream, I understand the third question as concerning a criterion that is separate from and independent of the criterion of the necessity of repackaging. As pointed out, in particular, in point 36 of this Opinion, even if the practice at issue in the main proceedings were found to be necessary, within the meaning of the first criterion set out in the judgment in Bristol-Myers Squibb and Others, that would not be sufficient to preclude SodaStream from opposing that conduct, since the criteria appear to be cumulative. In other words, once it has been found that the repackaging was objectively necessary, the way in which the repackaging was actually carried out must be examined.

47. The third criterion laid down in the judgment in Bristol-Myers Squibb and Others requires that the new packaging clearly states who repackaged the product and the name of the manufacturer in print such that a person with normal eyesight, exercising a normal degree of attentiveness, would be able to understand. (53) The clarity required in respect of the information must accordingly prevent confusion in the mind of the consumer. (54)

48. In order to safeguard the trade mark as a guarantee of origin, the new labelling must not, in particular, give the impression that there is a commercial connection between the reseller and the trade mark proprietor, and in particular that the reseller's business is affiliated to the proprietor's distribution network or that there is a special relationship between the two undertakings. (55) If normally informed and reasonably attentive consumers encounter difficulty in ascertaining the origin of the goods, the rights conferred by the trade mark cannot be considered exhausted. (56) It follows, in particular, from the judgment in Viking Gas (57) that the assessment of the existence of an impression that there is a commercial connection must take into account the labelling of the cylinders and the conditions in which they are exchanged. (58) Industry practices and the question whether consumers are used to cylinders being refilled by other distributions will also need to be taken into account. It will then be reasonable to assume that a consumer who goes directly to a competitor either to exchange his empty gas bottle for a full bottle or to have his own bottle refilled is more readily in a position to be aware that there is no connection between the competitor in question and the trade mark proprietor. (59) The Court has also acknowledged the fact that the trade mark on the cylinder remains visible in spite of the additional labelling (60) affixed by a competitor was a relevant factor in so far as it seems to rule out that labelling from altering the condition of the cylinders by masking their origin. (61)

49. In carrying out the relabelling, the third party must not be driven by malice, for example, with the real intention of deceiving the consumer. However, the

removal of the label by MySoda does not necessarily appear malicious, given that it is not even possible to establish whether it was MySoda, which, on a given cylinder, removed the original label or removed the label from the last company that refilled the cylinder with gas. The removal may be justified by taking account of the specific nature of the product in question, that is to say, refillable cylinders. The trade mark on the cylinder remains visible since it is engraved on the neck such that the essential function of the trade mark as a guarantee of origin of the cylinder is not necessarily affected by the relabelling alone. Nevertheless, it seems to me that it is for the referring court to determine exactly what the normally informed and reasonably attentive consumer's understanding of that relabelling will be. (62) It depends, of course, on the level of knowledge that the consumer has of the functioning and practices (63) on the market for the refilling of CO<sub>2</sub> cylinders. It also depends on the clarity of the information on the label, which must, with no ambiguity as to who is really responsible for the manufacture of the cylinder, contain information on the company that last refilled the cylinder with carbon dioxide.

50. I add that the Finnish Government focussed on the environmental aspects of the dispute in the main proceedings, arguing that the recovery of the cylinders by refilling and reusing them must be encouraged under the waste prevention policy, which is one of the objectives pursued by Directive (EU) 2018/852 of the European Parliament and of the Council of 20 May 2018 amending Directive 94/62/EC on packaging and packaging waste. (64) To facilitate this, according to the Finnish Government, the recovery of the cylinders should not be made too difficult by excessive consideration being given to the rights of the manufacturer of the cylinder, proprietor of the trade mark.

51. In the light of the foregoing, I take the view that Article 15(2) of Regulation 2017/1001 and Article 15(2) of Directive 2015/2436 must be interpreted as meaning that, where a third party refills with gas and resells a CO<sub>2</sub> cylinder, removes the label bearing the manufacturer's mark, while leaving the manufacturer's mark engraved on the neck of the cylinder visible, and affixes its own label, the overall impression created by the new label must be assessed in order to determine whether the information stating who repackaged the product and the name of the manufacturer is clear and unambiguous to the normally informed and reasonably attentive consumer. Such information contained on the new label must not give the impression that there is a commercial connection or a special relationship between the third party that refilled the cylinder and the trade mark proprietor. In order to assess the impression given by the new label, industry practices and the level of knowledge that the consumer has of those practices must be taken into account.

### **C. Application of the test from the judgment in Viking Gas**

52. In the alternative, if the Court were not to following the logic previously proposed, it appears that the

application of the test laid down in its judgment in Viking Gas would give a broadly equivalent outcome.

53. I note that, in that case, the Court had to determine in which circumstances, the holder of an exclusive licence for the use of composite gas bottles intended for re-use, the shape of which is protected as a three-dimensional mark and to which the holder has affixed its own name and logo that are registered as word and figurative marks, could prevent, pursuant to Articles 5 and 7 of First Directive 89/104, those bottles, after consumers have purchased them and consumed the gas initially contained in them, from being exchanged by a third party, on payment, for composite bottles filled with gas which do not come from the holder of that licence. (65)

54. The Court, first of all, recognised that bottles which are intended for re-use do not constitute mere packaging and must be regarded as goods in themselves. (66) It then struck a balance between, on the one hand, the legitimate interest on the part of the licensee of the right to the trade mark constituted by the shape of the composite bottle and the proprietor of the marks affixed to that bottle to profit from the rights attached to those marks and, on the other, the legitimate interests of purchasers of those bottles, in particular the interest in fully enjoying their property rights on those bottles, and the general interest in maintaining undistorted competition. (67) Lastly, the Court pointed out that the realisation of the economic value of the marks relating to the bottles comes from the sale of those bottles and that a sale which allows the realisation of the economic value of a mark exhausts the exclusive rights conferred by First Directive 89/104. (68)

55. From the point of view of purchasers, if their property rights are restricted by the related trade mark rights even after the sale, they would no longer be free to exercise those property rights but would be tied to a single gas supplier for the subsequent refilling of the bottles. (69) As regards competition, such a situation would allow the licensee of the trade mark to unduly reduce competition on the downstream market for the refilling of gas bottles, and would even create the risk of that market's being closed off. (70)

56. The Court therefore held that the sale of the composite bottle *'exhausts the rights that the licensee of the right to the trade mark ... derives from [that mark] and transfers to the purchaser the right to use that bottle freely, including the right to exchange it or have it refilled, once the original gas has been consumed, by an undertaking of his choice ..., but also by one of its competitors. The corollary of that right on the part of the purchaser is the right of those competitors, within the limits set out in Article 7(2) of [First] Directive 89/104, to refill and exchange the empty bottles'*, (71) those limits relating to the existence of legitimate reasons justifying opposition to further commercialisation of the goods put on the market by the trade mark proprietor. Those legitimate reasons may consist in the alteration or impairment of the condition of goods bearing the mark, the use by a third party of a sign identical with, or similar to, a trade mark which seriously damages the reputation

of that trade mark or gives the impression that there is a commercial connection between the trade mark proprietor and that third party (such as the existence of a special relationship between those two persons or affiliation to the proprietor's distribution network). (72) The assessment of whether there is an impression that there is a commercial connection must take into account the labelling of the bottles and the circumstances in which they are exchanged, (73) which must not lead the average consumer who is reasonably well informed and reasonably observant and circumspect to consider that there is a connection between the two undertakings in question or that the gas used to refill the bottles comes from the trade mark proprietor. It is also necessary to take into account the practices in that sector and whether consumers are accustomed to the gas bottles being filled by other distributors. It is thus possible to assume that a consumer who goes directly to a competitor either to exchange his empty gas bottle for a full bottle or to have his own bottle refilled is more readily in a position to be aware that there is no connection between that competitor and the trade mark proprietor. (74) The Court also acknowledged that the fact that the mark on the bottle remains visible in spite of the additional labelling (75) affixed by the competitor is a relevant factor in so far as it seems to rule out the fact that the labelling altered the condition of the cylinders by masking their origin. (76)

57. Applied to the present case, it follows from the foregoing that Article 15 of Regulation 2017/1001 and Article 15 of Directive 2015/2436 do not allow the proprietor of the trade mark of CO<sub>2</sub> cylinders intended to be refilled and then reused to object to those cylinders, after having been purchased by consumers who have consumed the gas, having been brought by those consumers to retailers responsible for collecting empty cylinders and having been refilled by a competing third party, being sold by the third party after the latter has affixed his own mark to the cylinders in question, while leaving the proprietor's trade mark visible, unless the trade mark proprietor is in a position to put forward a legitimate reason within the meaning of the aforementioned provisions. The referring court will then have to determine whether the conduct at issue in the main proceedings seriously damages the reputation of the trade mark proprietor or whether the use of an identical sign is likely to give the impression that there is a commercial connection between the trade mark proprietor and the third party in question. To that end, the attention of the referring court is drawn to the perception, by the consumer who is reasonably well informed and reasonably observant and circumspect, of the possible existence of a commercial connection between the trade mark proprietor and the competing third party. Consumer habits and market practices must also be taken into account. Lastly, the referring court will also have to ensure that labelling carried out by the competing third party does not have the effect of altering the condition of the cylinders.

#### IV. Conclusion



58. In the light of the foregoing considerations, I propose to answer the questions referred by the Korkein oikeus (Supreme Court, Finland) to the Court of Justice for a preliminary ruling as follows:

*(1) In the context of the dispute in the main proceedings, Article 15(2) of Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark and Article 15(2) 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*

*must be interpreted as meaning that the trade mark proprietor may legitimately oppose the further marketing, on the territory of the same Member State as that in which the CO<sub>2</sub> cylinders were put on the market for the first time by the trade mark proprietor or with his consent, by a third party of those cylinders which were refilled by that third party when it repackaged the cylinders and reaffixed its trade mark, unless it is established that such opposition would contribute to the artificial partitioning of the market. In order to assess the existence of such a risk, it is for the referring court to verify whether the repackaging, having regard to the nature of the product concerned and its intended purpose, was necessary in order to ensure third party access to the market for the refilling of carbon dioxide cylinders. If the referring court were to conclude that the repackaging carried out by the third party was necessary, it should still have to ensure that the legitimate interests of the trade mark proprietor are, moreover, safeguarded.*

*(2) Article 15(2) of Regulation 2017/1001 and Article 15(2) of Directive 2015/2436*

*must be interpreted as meaning that, where a third party refills with gas and resells a CO<sub>2</sub> cylinder, removes the label bearing the manufacturer's mark, while leaving the manufacturer's mark engraved on the neck of the cylinder visible, and affixes its own label, the overall impression created by the new label must be assessed in order to determine whether the information stating who repackaged the product and the name of the manufacturer is clear and unambiguous to a person with normal eyesight, exercising a normal degree of attentiveness. Such information contained on the new label must not give the impression that there is a commercial connection or a special relationship between the third party that refilled the cylinder and the trade mark proprietor. In order to assess the impression given by the new label, industry practices and the level of knowledge that the consumer has of those practices must be taken into account.*

## SOURCES

1 Original language: French.

2 COM(2015) 614 final, of 2 December 2015.

3 OJ 2017 L 154, p. 1.

4 Council Regulation of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1), as amended by Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015 (OJ

2015 L 341, p. 21) ('Regulation 207/2009'). Article 13 of Regulation No 207/2009 corresponds to Article 15 of Regulation 2017/1001.

5 OJ 2015 L 336, p. 1.

6 As from 15 January 2019, that provision replaces and corresponds, to a very large extent, to Article 7 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).

7 On account of the period of the alleged infringement being challenged before the referring court, attention should be drawn to Article 10(a) of the Tavaramerkkilaki (1715/1995) (Law on trade marks No 1715/1995), which was in force until 31 August 2016, and Article 8 of the Tavaramerkkilaki (616/2016) (Law on trade marks No 616/2016), which was in force until 30 April 2019. Those provisions correspond, in substance, to Article 9 of the Law on trade marks currently in force.

8 Judgment of 11 July 1996 (C-427/93, C-429/93 and C-436/93, EU:C:1996:282; 'the judgment in Bristol-Myers Squibb and Others').

9 Judgment of 14 July 2011 (C-46/10, EU:C:2011:485; 'the judgment in Viking Gas').

10 The referring court relies here on the judgments of 23 April 2002, Boehringer Ingelheim and Others (C-143/00, EU:C:2002:246, paragraphs 29 and 30), and of 26 April 2007, Boehringer Ingelheim and Others (C-348/04, EU:C:2007:249, paragraphs 28 to 30).

11 The referring court relies here on the judgment of 26 April 2007, Boehringer Ingelheim and Others (C-348/04, EU:C:2007:249, paragraphs 52 and 53).

12 The referring court refers here to the judgment of 23 April 2002, Boehringer Ingelheim and Others (C-143/00, EU:C:2002:246, paragraph 34).

13 The referring court refers here to paragraph 37 of the judgment in Viking Gas.

14 Judgment of 11 November 1997 (C-349/95, EU:C:1997:530).

15 The referring court refers here to the judgment of 12 October 1999, Upjohn (C-379/97, EU:C:1999:494, paragraph 44).

16 With regard to the comprehensive nature of the harmonisation carried out by Article 15 of Directive 2015/2436, see, by analogy, judgment of 20 December 2017, Schweppes (C-291/16, EU:C:2017:990, paragraph 30). As for Article 7 of First Council Directive 89/04/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), see judgments in Bristol-Myers Squibb and Others (paragraphs 25 and 26), and of 23 April 2002, Boehringer Ingelheim and Others (C-143/00, EU:C:2002:246, paragraph 17).

17 That is Article 13 of Regulation No 207/2009 and Article 7 of Directive 2008/95.

18 See judgment of 23 April 2002, Boehringer Ingelheim and Others (C-143/00, EU:C:2002:246, paragraph 28).

19 See judgment in Bristol-Myers Squibb and Others (paragraph 44) and judgment of 20 December 2017, Schweppe (C-291/16, EU:C:2017:990, paragraph 37).

20 See judgment of 20 December 2017, Schweppe (C-291/16, EU:C:2017:990, paragraph 37).

21 See judgment of 23 April 2002, Boehringer Ingelheim and Others (C-143/00, EU:C:2002:246, paragraph 18).

22 See Article 15(1) of Regulation 2017/1001 and Article 15(1) of Directive 2015/2436.

23 See, in particular, judgment of 20 December 2017, Schweppe (C-291/16, EU:C:2017:990, paragraph 30 and the case-law cited).

24 See Article 15(2) of Regulation 2017/1001 and Article 15(2) of Directive 2015/2436.

25 See judgment in Viking Gas (paragraph 36).

26 See judgment in Bristol-Myers Squibb and Others (paragraph 79).

27 See, in particular, judgment of 26 April 2007, Boehringer Ingelheim and Others (C-348/04, EU:C:2007:249, paragraphs 31 and 60).

28 See judgment of 17 May 2018, Junek Europ-Vertrieb (C-642/16, EU:C:2018:322, paragraph 29).

29 See judgment of 26 April 2007, Boehringer Ingelheim and Others (C-348/04, EU:C:2007:249, paragraphs 29 and 30). See, also, judgment of 17 May 2018, Junek Europ-Vertrieb (C-642/16, EU:C:2018:322, paragraph 30).

30 See judgment of 17 May 2018, Junek Europ-Vertrieb (C-642/16, EU:C:2018:322, paragraphs 35 to 37).

31 In that regard, the entire operation is, in my view, more complex than just ‘recycling’, as the Finnish Government argues.

32 The visibility of the engraving is in no way comparable to the visibility of the label. In those circumstances, while not a question of total concealment, the present case is similar to, without being confused with, that analysed in paragraph 86 of the judgment of 8 July 2010, Portakabin (C-558/08, EU:C:2010:416).

33 See judgment in Viking Gas (paragraphs 31 and 32). On the contrary, trade mark rights are designed as an essential element of a system of undistorted competition.

34 See judgment in Viking Gas (paragraphs 31 and 35).

35 See judgment in Viking Gas (paragraph 35 at the end and paragraphs 36 to 41).

36 See judgment in Viking Gas (paragraph 42 and the operative part).

37 See, for example, judgment in Bristol-Myers Squibb and Others (paragraphs 59, 60 and 75).

38 With regard to the application of those criteria to bottles of spirits, see judgment of 11 November 1997, Loendersloot (C-349/95, EU:C:1997:530).

39 See judgment of 11 November 1997, Loendersloot (C-349/95, EU:C:1997:530, paragraph 27).

40 Judgment of 17 May 2018 (C-642/16, EU:C:2018:322).

41 See judgment in Bristol-Myers Squibb and Others (paragraph 79).

42 See judgment in Bristol-Myers Squibb and Others (paragraph 56).

43 See point 22 of this Opinion.

44 See judgment in Bristol-Myers Squibb and Others (paragraph 53). See, also, judgment of 26 April 2007, Boehringer Ingelheim and Others (C-348/04, EU:C:2007:249, paragraph 36).

45 See judgment of 26 April 2007, Boehringer Ingelheim and Others (C-348/04, EU:C:2007:249, paragraph 37 and the case-law cited).

46 See judgment of 26 April 2007, Boehringer Ingelheim and Others (C-348/04, EU:C:2007:249, paragraph 38 and the case-law cited).

47 See judgment of 26 April 2007, Boehringer Ingelheim and Others (C-348/04, EU:C:2007:249, paragraph 30).

48 That difference appears to me to be fundamental in order to distinguish the present case from increasingly frequent cases involving so-called ‘upcycling’, which are still for the moment in a kind of grey legal zone (I am thinking here, for example, of the question of the recovery, from authentic and legally acquired clothing, of buttons bearing a luxury trade mark to transform them into jewellery by a third party who is not the proprietor of the luxury mark in question).

49 The Court has already held, in a slightly different context, that ‘to allow the licensee of the trade mark right constituted by the shape of the composite bottle and proprietor of the marks affixed to that bottle to prevent, on the basis of the rights relating to those marks, the bottles from being refilled would unduly reduce competition on the downstream market for the refilling of gas bottles, and would even create the risk of that market’s being closed off if the licensee and proprietor were to succeed in imposing its bottle because of its specific technical characteristics, the protection of which is not the purpose of trade mark law’ (judgment in Viking Gas, paragraph 34).

50 As for MySoda, it states that refilling the cylinders with a substance considered to be dangerous such as carbon dioxide is strictly regulated and controlled in Finland and subject, in particular, to compliance with relevant EU law.

51 For example, SodaStream, after stating that it holds between 55 and 60% of the market share in refilling CO<sub>2</sub> cylinders in Finland, compared to 30 to 35% held by MySoda, proposes, as a measure less detrimental to its trade mark rights than affixing the labels at issue in the main proceedings and as a way to demonstrate that the relabelling carried out by MySoda is not necessary, to ask distributors to sort the bottles returned empty and to return them to the respective trade mark proprietors for refilling. However, in doing so, there would ultimately be no separate markets between that of carbonating machines traditionally sold with at least one cylinder filled with carbon dioxide and the market specific to the refilling of CO<sub>2</sub> cylinders alone, since the trade mark of the machine and of the first cylinder would necessarily condition the company with which the cylinder could be refilled a hundred times.

52 In that regard, the question whether affixing a sticker to the cylinder would be less detrimental to SodaStream’s trade mark rights will have to be assessed

by the referring court, in particular to ascertain whether there is, on the contrary, a greater likelihood of confusion for consumers, especially where multiple stickers are affixed when refilling the cylinders.

53 See judgment in *Bristol-Myers Squibb and Others* (paragraph 79).

54 In some cases, one could easily imagine that the fourth criterion, relating to the obligation not to damage the reputation of the trade mark and of its owner, is examined at the same time as the third criterion. I note, however, that this is not the subject of the questions referred to the Court for a preliminary ruling.

55 See judgment of 8 July 2010, *Portakabin* (C-558/08, EU:C:2010:416, paragraph 80). See, also, judgment in *Viking Gas* (paragraphs 37 and 39).

56 See, with regard to internet users, judgment of 8 July 2010, *Portakabin* (C-558/08, EU:C:2010:416, paragraph 81). As for consumers, in general, see judgment in *Viking Gas* (paragraphs 39 and 40).

57 Judgment of 14 July 2011 (C-46/10, EU:C:2011:485).

58 See judgment in *Viking Gas* (paragraph 39).

59 See judgment in *Viking Gas* (paragraph 40). By way of reminder, that is not the case in the context of the dispute in the main proceedings.

60 In the circumstances of that case, two adhesive labels were attached to the bottle by the company that refilled it, without the word or figurative marks of the company that put the bottle on the market for the first time being removed or covered (see judgment in *Viking Gas*, paragraph 11).

61 See judgment in *Viking Gas* (paragraph 41).

62 I accept that formulation which seems to me to be more or less equivalent to that used in the judgment in *Bristol-Myers Squibb and Others* (see, for comparison, point 48 of this Opinion).

63 In that regard, as the Commission pointed out, unlike the facts in the main proceedings in the case giving rise to the judgment in *Viking Gas*, the refilled cylinders are not sold in shops bearing the sign of the company that refilled them so that it could be more difficult for the consumer to distinguish the exact role of each of the marks affixed to those cylinders.

64 OJ 2018 L 150, p. 141.

65 See judgment in *Viking Gas* (paragraph 15).

66 See judgment in *Viking Gas* (paragraph 30).

67 See judgment in *Viking Gas* (paragraph 31).

68 See judgment in *Viking Gas* (paragraph 32).

69 See judgment in *Viking Gas* (paragraph 33).

70 See judgment in *Viking Gas* (paragraph 34).

71 Judgment in *Viking Gas* (paragraph 35).

72 See judgment in *Viking Gas* (paragraphs 36 and 37).

73 See judgment in *Viking Gas* (paragraph 39).

74 See judgment in *Viking Gas* (paragraph 40).

75 In that case, two stickers were affixed to the bottle by the company that refilled it, without the word or figurative marks of the company that put the bottle on the market for the first time being removed or covered (see judgment in *Viking Gas*, paragraph 11).

76 See judgment in *Viking Gas* (paragraph 41).