JUDGMENT OF THE COURT (First Chamber)

15 December 2011 *

In Case C-119/10,

REFERENCE for a preliminary ruling under Article 267 TFEU from the Hoge Raad der Nederlanden (Netherlands), made by decision of 19 February 2010, received at the Court on 4 March 2010, in the proceedings

Frisdranken Industrie Winters BV

v

Red Bull GmbH,

THE COURT (First Chamber),

composed of A. Tizzano, President of the Chamber, M. Safjan, M. Ilešič (Rapporteur), E. Levits and M. Berger, Judges,

* Language of the case: Dutch.

Advocate General: J. Kokott,
Registrar: C. Strömholm, Administrator,

having regard to the written procedure and further to the hearing on 10 March 2011,

after considering the observations submitted on behalf of:

— Frisdranken Industrie Winters BV, by P.N.A.M. Claassen, advocaat,

— Red Bull GmbH, by S. Klos and A. Alkema, advocaten,

— the Polish Government, by M. Laszuk, acting as Agent,

— the European Commission, by A. Nijenhuis and F.W. Bulst, acting as Agents,

after hearing the Opinion of the Advocate General at the sitting on 14 April 2011,

gives the following

Judgment

1 This reference for a preliminary ruling concerns the interpretation of Article 5(1) and (3) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1).

2 The reference has been made in proceedings between Red Bull GmbH ('Red Bull') and Frisdranken Industrie Winters BV ('Winters') concerning the fact that Winters filled cans bearing signs similar to the trade marks of Red Bull with fizzy drinks.

Legal context

3 Article 5(1) to (3) of Directive 89/104 states:

'1. The registered trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

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

(b) any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the trade mark.

2. Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter has a reputation in the Member State 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 trade mark.

3. The following, inter alia, may be prohibited under paragraphs l and 2:

(a) affixing the sign to the goods or to the packaging thereof;

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

(c) importing or exporting the goods under the sign;

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

…'

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

4 Red Bull produces and markets an energising drink under the world famous trade mark RED BULL. It has obtained international registrations for that trade mark, valid, inter alia, in the Benelux countries.

5 Winters is an undertaking which is mainly involved in the filling of cans with drinks produced by itself or by others.

6 Smart Drinks Ltd ('Smart Drinks'), a legal person under the law of the British Virgin Islands, is a competitor of Red Bull.

7 Winters filled cans with fizzy drinks on the instructions of Smart Drinks. To that end, Smart Drinks supplied Winters with empty cans, delivered with matching lids and all bearing various signs, decorations and texts. The cans bore, inter alia, the signs 'BULLFIGHTER', 'PITTBULL', 'RED HORN' (subsequently 'LONG HORN'), and 'LIVE WIRE'. Smart Drinks also delivered to Winters the extract contained in the fizzy drink. Winters filled the cans with a specific quantity of the extract in accordance with the Smart Drinks directions and recipes, added water and, if necessary, carbon dioxide, and sealed the cans. Winters then placed the filled cans at the disposal of Smart Drinks, which then exported them to countries outside the Benelux.

8 Winters only performed the aforementioned filling services for Smart Drinks, and did not send the filled cans to that company. Nor did Winters deliver or sell the cans to third parties.

9 On 2 August 2006, Red Bull instituted interlocutory proceedings for interim measures against Winters before the Rechtbank (District Court) 's-Hertogenbosch seeking an order that Winters cease and not resume any further use of signs which are similar to/associated with a number of its trade marks. It argued that by filling the cans bearing the signs 'BULLFIGHTER', 'PITTBULL', 'RED HORN', 'LONG HORN' and 'LIVE WIRE', Winters infringed Red Bull's trade-mark rights. In those proceedings, the judge held that the filling of the cans must be deemed to be use of those signs but that only the sign 'BULLFIGHTER', in conjunction with the cans used, was similar to Red Bull's trade marks. Therefore, by judgment of 26 September 2006 Winters was ordered to cease filling the BULLFIGHTER cans.

10 Red Bull and Winters appealed and cross-appealed respectively against that judgment to the Gerechtshof te 's-Hertogenbosch (Regional Court of Appeal, 's-Hertogenbosch).

11 The Gerechtshof approved the Rechtbank's ruling that the filling of the cans by Winters is to be regarded as use of the signs affixed thereto by Smart Drinks. It referred, in that respect, to the original function of the trade mark as well as the fact that, for the type of goods at issue, namely drinks, a sign cannot be affixed in any other way than by combining the drink with packaging which already bears the sign. By combining the diluted extract and the cans bearing the sign at issue to create the end product, Winters affixed those signs to that product even if it did not affix them to the cans.

12 As regards whether similarity exists between the signs and the Red Bull trade marks, the Gerechtshof held that that is the case for the signs 'BULLFIGHTER', 'PITTBULL' and 'LIVE WIRE'. It held, in that respect, that as regards the relevant public, it should be assumed, given the nature of the goods, that it is the general public and – since the products dealt with by Winters for Smart Drinks are not destined for the Benelux but for third countries – in the abstract sense of an average consumer in the Benelux.

13 Consequently, by judgment of 29 January 2008, the Gerechtshof, relying on the provisions of the Benelux Convention on Intellectual Property (Trademarks and Designs), signed at the Hague on 25 February 2005, which corresponds to Article 5(1)(b) and (2) of Directive 89/104, ordered Winters to cease filling BULLFIGHTER, PITTBULL and LIVE WIRE cans. Winters appealed in cassation.

14 Against that background, the Hoge Raad der Nederlanden (Supreme Court of the Netherlands) decided to stay the proceedings and to refer the following questions to the Court of Justice for a preliminary ruling:

'(1) (a) Is the mere "filling" of packaging which bears a sign … to be regarded as using that sign in the course of trade within the meaning of Article 5 of Directive 89/104, even if that filling takes place as a service provided to and on the instructions of another person, for the purposes of distinguishing that person's goods?

(b) Does it make any difference to the answer to question 1(a) if there is an infringement for the purposes of Article 5(1)(a) or (b)?

(2) If the answer to question 1(a) is in the affirmative, can using the sign then also be prohibited in the Benelux on the basis of Article 5 of Directive 89/104 if the goods bearing the sign are destined exclusively for export to countries outside [(a)] the Benelux area or [(b)] the European Union, and they cannot – except in the undertaking where the filling took place – be seen therein by the public?

(3) If the answer to question 2(a) or (b) is in the affirmative, what criterion must be used when answering the question whether there has been trade-mark infringement: should the criterion be the perception of an average consumer who

is reasonably well informed and reasonably observant and circumspect in the Benelux or alternatively in the European Union — who then in the given circumstances can only be determined in a fictional or abstract way – or must a different criterion be used in this case, for example, the perception of the consumer in the country to which the goods are exported?'

Consideration of the questions referred

The first question

15 By its first question the referring court asks, in essence, whether Article 5(1)(a) and (b) of Directive 89/104 must be interpreted as meaning that a service provider who, under an order from and on the instructions of another person, fills packaging which was supplied to it by the other person who, in advance, affixed to it a sign which is identical with, or similar to, a sign protected as a trade mark itself makes use of the sign that is liable to be prohibited under that provision.

Observations submitted to the Court

16 Winters submits that the mere filling of packaging which bears a sign, carried out as a service for another person, does not amount to use of that sign within the meaning of Article 5(1) of Directive 89/104. It relies, inter alia, on Joined Cases C-236/08 to C-238/08 *Google France and Google* [2010] ECR I-2417, paragraphs 50, 56 and 57,

in which the Court held that a referencing service provider allows its clients to use signs which include key words, but does not itself use those signs and despite the fact that that service was not only paid for and created the technical conditions necessary for the use of those signs by clients, but also implied direct contact with the public. Winters deduces from this that, *a fortiori*, its services, which are limited to mere filling as part of the production process, but no role in the sale of the drinks or any form of communication with the public, cannot be qualified as 'use'.

17 That view is shared in essence by the Polish Government who states, inter alia, that the external appearance of the cans has no impact on Winters' activity or on the economic advantages which that undertaking gains from that activity, which would be the same whether or not the cans bore those signs. It is true that Winters carries out an economic activity but that has a purely technical character, with Winters acting as a mere agent.

18 Furthermore, the activities listed in Article 5(3) of Directive 89/104 only constitute an infringement if the conditions laid down in Article 5(1) are fulfilled. To the extent that those conditions are not fulfilled, it matters little if the filling of a can which bears a sign may be characterised as 'affixing' that sign to the product in question. The argument put forward by Red Bull and the European Commission is also questionable since the sign is not affixed to the product but really to the packaging. Moreover, if that argument is valid that raises the question as to which undertaking is in violation of trade mark law, the one which printed the sign on the cans or the one which filled them.

19 By contrast, Red Bull and the Commission consider that the use of a sign, within the meaning of Article 5(1) of Directive 89/104, includes the filling of packaging which bears a sign, even if that filling is carried out as a service, on the instructions of a client and for the purpose of distinguishing that person's goods.

20 First, the filling of cans bearing signs is equivalent to 'affixing' those signs to the product within the meaning of Article 5(3)(a) of Directive 89/104, given that it is at that moment of the production process that the sign is associated with the product. The term 'affix' should be understood in the sense that it refers to the creation of a physical link between the sign and the product, regardless of the technique by which that link is created. In addition, it is apparent from paragraph 61 of *Google France and Google* that the acts listed in Article 5(3) of Directive 89/104 constitute examples of 'use' within the meaning of Article 5(1).

21 Second, when a service provider provides a service based on the use of a sign to a customer for consideration, that use can be characterised as 'using in the course of trade'. The fact that the service provider acts on the instructions of the customer does not change anything as the service remains a business activity.

22 Finally, it is irrelevant whether the company which affixes the sign to the goods or their packaging does so for their own goods or as a service provided for another person. Thus, Directive 89/104 is based on the principle that certain acts, and in particular those referred to in Article 5(3), are reserved to the registered trade mark proprietor. It would be incompatible with that principle and the purpose of Article 5 for acts of production and marketing by a person without the consent of the proprietor to fall outside the scope of that article on the sole ground that the goods do not belong to that person. The objective of that provision could not be achieved if it were possible to circumvent the protection of the trade mark proprietor by merely dividing the production process and by granting different elements of the process to various contractors.

23 That interpretation is confirmed by *Google France and Google* (paragraphs 60 and 61), and by the order in Case C-62/08 *UDV North America* [2009] ECR I-1279, paragraphs 39 to 43. Furthermore, it flows from the broad logic of Article 5(3) that the trade-mark proprietor may prohibit acts referred to therein separately from each

other and therefore oppose the affixing of its mark irrespective of whether the person who affixes it also subsequently markets the goods concerned.

The Court's reply

24 It should be noted at the outset that it is apparent from the decision to refer that the signs at issue on the cans filled by Winters are, at most, similar to the protected signs of Red Bull and not identical to them. In those circumstances, it is clear that Red Bull may not, on the basis of Article 5(1)(a) of Directive 89/104, which requires the identity of the signs concerned, prohibit Winters from filling those cans. Consequently, it is for the Court, in the context of this case, to rule exclusively on the interpretation of Article 5(1)(b), for which similarity of those signs is sufficient.

25 Pursuant to Article 5(1)(b) of Directive 89/104 a trade mark proprietor is entitled to prohibit a third party from using, without the proprietor's consent, a sign identical with or similar to his trade mark when that use is in the course of trade, is in relation to goods or services which are identical with, or similar to, those for which that trade mark was registered and, due to a likelihood of confusion on the part of the public, affects, or is liable to affect, the essential function of the trade mark, which is to guarantee to consumers the origin of the goods or services (see, inter alia, Case C-533/06 *O2 Holdings and O2 (UK)* [2008] ECR I-4231, paragraph 57 and the case-law cited).

26 In the main action, it is established that Winters carries out a business activity and seeks to obtain an economic advantage when it fills, as a service provider, under an order from and on the instructions of Smart Drinks, cans which were supplied to it by that undertaking which has already affixed to them signs which are similar to Red Bull's trade marks.

27 It is also established that the affixing of signs to the cans in advance, filling them with fizzy drinks and the subsequent exportation of the finished product, namely the filled cans bearing those signs, took place without the consent of Red Bull.

28 Although it is clear from those factors that a service provider such as Winters operates in the course of trade when it fills such cans under an order from another person, it does not follow, however, therefrom that the service provider itself 'uses' those signs within the meaning of Article 5 of Directive 89/104 (see, by analogy, *Google France and Google*, paragraph 55).

29 The Court has already held that the fact of creating the technical conditions necessary for the use of a sign and being paid for that service does not mean that the party offering the service itself uses that sign (*Google France and Google*, paragraph 57).

30 It must be stated that a service provider who, in circumstances such as those in the main action, merely fills, under an order from and on the instructions of another person, cans already bearing signs similar to trade marks and therefore merely executes a technical part of the production process of the final product without having any interest in the external presentation of those cans and in particular in the signs thereon, does not itself 'use' those signs within the meaning of Article 5 of Directive 89/104, but only creates the technical conditions necessary for the other person to use them.

31 Moreover, a service provider in Winters' situation does not, on any view, use those signs 'for goods or services' which are identical with, or similar to, those for which the trade mark was registered, within the meaning of that article. Indeed, the Court has already stated that that expression generally applies to goods or services of third parties who use the sign (see Case C-48/05 *Adam Opel* [2007] ECR I-1017, paragraph 28 and 29; *O2 Holdings and O2 (UK)*, paragraph 34, and *Google France and Google*, paragraph 60). It is established that in the main action the service provided by Winters consists of the filling of cans and that this service does not have any similarity with the product for which Red Bull's trade marks were registered.

32 It is true that the Court has also held that that expression may, under certain conditions, include goods and services of another person on whose behalf the third party acts. Thus, the Court considered that a situation in which the service provider uses a sign corresponding to the trade mark of another person in order to promote goods which one of its customers is marketing with the assistance of that service is covered by that same expression when that use is carried out in such a way that it establishes a link between that sign and that service (see, to that effect, *Google France and Google*, paragraph 60; Case C-324/09 *L'Oréal and Others* [2011] ECR I-6011, paragraphs 91 and 92; and *UDV North America*, paragraphs 43 to 51).

33 However, as the Advocate General stated at point 28 of her Opinion, the filling of cans bearing signs similar to trade marks is not, by its very nature, comparable to a service aimed at promoting the marketing of goods bearing those signs and does not imply, inter alia, the creation of a link between the signs and the filling service. The undertaking which carries out the filling is not apparent to the consumer, which excludes any association between its services and those signs.

34 Since it follows from the foregoing that the conditions set out in Article 5(1)(b) of Direction 89/104 are not fulfilled in a situation such as that at issue in the main action

and, therefore the proprietor cannot, on that basis, prohibit the service provider from filling cans bearing signs similar to its trade marks, the question whether the filling constitutes affixing signs to the goods or to their packaging within the meaning of Article 5(3)(a) is irrelevant.

35 Inasmuch as such a service provider enables its customers to make use of signs similar to trade marks, its role cannot be assessed under Directive 89/104 but must be examined, if necessary, from the point of view of other rules of law (see, by analogy, *Google France and Google*, paragraph 57, and *L'Oréal and Others*, paragraph 104).

36 Furthermore, contrary to the concerns of Red Bull and the Commission, the finding that a trade mark proprietor cannot act, solely on the basis of Directive 89/104, against a service provider does not have the consequence of allowing the customer of that service provider to circumvent the protection given to the proprietor by that directive, by dividing the production process and by awarding different elements of the process to service providers. In that regard, suffice it to state that those services may be attributed to the customer who therefore remains liable under that directive.

37 Having regard to the foregoing considerations, the answer to the first question is that Article 5(1)(b) of Directive 89/104 must be interpreted as meaning that a service provider who, under an order from and on the instructions of another person, fills packaging which was supplied to it by the other person who, in advance, affixed to it a sign which is identical with, or similar to, a sign protected as a trade mark does not itself make use of the sign that is liable to be prohibited under that provision.

The second and third questions

38 In view of the answer given to the first question, there is no need to answer the second and third questions.

Costs

39 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (First Chamber) hereby rules:

Article 5(1)(b) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks must be interpreted as meaning that a service provider who, under an order from and on the instructions of another person, fills packaging which was supplied to it by the other person who, in advance, affixed to it a sign which is identical with, or similar to, a sign protected as a trade mark does not itself make use of the sign that is liable to be prohibited under that provision.

[Signatures]