OPINION OF ADVOCATE GENERAL KOKOTT

delivered on 14 April 2011 [1]

I — Introduction

1. Any individual who makes unauthorised use of another's trade mark or similar sign in the course of trade infringes the rights of the proprietor of that mark. However, does that apply also to an undertaking which, on the instructions of another, fills drinks into cans which are labelled with the sign in question? And what are the consequences where those goods are intended for immediate export from the territory in which the mark is protected. These are the questions which arise in the present proceedings.

II — Legal framework

2. The relevant legislation is the First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks. [2]

3. The rights associated with a trade mark are set out in Article 5 of Directive 89/104:

'(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.

...

1 — Original language: German.

2 — OJ 1989 L 40, p. 1, last amended by Annex XVII of the Agreement on the European Economic Area (OJ 1994 L 1, p. 482), repealed and replaced by Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (Codified version) (OJ 2008 L 299, p. 25).

(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.

…'

4. In addition, reference must be had to Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights. [3]

5. Article 1 of Directive 2004/48 describes its subject-matter:

'This Directive concerns the measures, procedures and remedies necessary to ensure the enforcement of intellectual property rights. For the purposes of this Directive, the term "intellectual property rights" includes industrial property rights.'

6. The third sentence of Article 11 of the Directive governs rights against intermediaries:

'Member States shall also ensure that rightholders are in a position to apply for an injunction against intermediaries whose services are used by a third party to infringe an intellectual property right, without prejudice to Article 8(3) of Directive 2001/29/EC. [4]'

III — Facts and reference for a preliminary ruling

7. Red Bull GmbH ('Red Bull') produces and markets under the world famous trade mark RED BULL a drink which is said to be energising. Red Bull has obtained international registrations for that trade mark, valid, inter alia, in the Benelux countries.

8. Frisdranken Industrie Winters BV ('Winters') is an undertaking which is mainly

3 — OJ 2004 L 157, p. 45.

4 — Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society (OJ 2001 L 167, p. 10).

involved in the 'filling' of cans with (fizzy) drinks produced by itself or by others.

9. Smart Drinks Ltd ('Smart Drinks'), a legal person under the law of the British Virgin Islands and having its registered office there, is a competitor of Red Bull.

10. 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 the required signs, decorations and texts. The cans delivered to Winters bore, inter alia, the signs BULLFIGHTER, PITT-BULL, RED HORN, later changed to LONG HORN, and LIVE WIRE. Smart Drinks also delivered to Winters the extract contained in the fizzy drink. Winters then filled the cans with a specific quantity of the extract in accordance with the Smart Drinks directions/recipes, added water and, if necessary, carbon dioxide, and sealed the cans. Thereafter, Winters placed the filled cans at the disposal of Smart Drinks, which then exported them to countries outside the Benelux.

11. In the present case, Winters only performed the abovementioned filling services for Smart Drinks. There was no question of Winters selling and/or delivering the goods to Smart Drinks or to third parties.

12. In interlocutory proceedings commenced on 2 August 2006, Red Bull claimed that Winters should be ordered to desist from every use of certain signs similar to Red Bull's marks set out in the summons. It argued that by filling the cans bearing the abovementioned signs, Winters infringed Red Bull's relevant trade-mark rights.

13. Both lower courts held that Winters affixed signs to drinks which were similar to Red Bull's trade marks. For the purposes of determining the similarity of the signs, the average consumer in the Benelux – in an abstract sense – was presumed.

14. The Hoge Raad (Supreme Court of the Netherlands) which is now seised of Winter's appeal in cassation has referred to the Court of Justice the following questions:

'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 the Trade Mark Directive, 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 the Trade Mark Directive 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?'

15. Frisdranken Industrie Winters BV, Red Bull GmbH and the European Commission made written and oral submissions. At the hearing on 10 March 2011, the Republic of Poland also participated.

IV — Legal appraisal

16. The present case raises three central questions, *first*, whether a service provider which on the instructions of another fills drink into a can bearing a sign similar to a trade mark infringes the rights associated with that mark (Question 1(a)), *second*, whether the mark is also infringed where those goods are intended for export from the area in which the mark is protected (Question 2) and, *third*, the criterion to be used in the case of export goods to determine the likelihood of confusion (Question 3).

A — *Question 1(a)*

17. By Question 1(a), the referring court seeks to establish whether simply filling drinks cans bearing a sign must be regarded as using that sign in the course of trade for the purposes of Article 5 of Directive 89/104 even where that filling is a service provided for and on the instructions of third party and relates to the goods of that other party.

18. In accordance with Article 5(1) and (2) of Directive 89/104, the registered trade mark confers on the proprietor exclusive rights therein, by virtue of which he is entitled, under certain conditions, 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, his trade mark. [5]

19. The types of conduct listed in Article 5(3) of Directive 89/104, including, in particular, the affixing of the sign to goods or the packaging thereof (subparagraph (a)), also constitute use of the mark. [6]

20. Filling drinks into cans bearing the sign in question corresponds to affixing that sign on drinks as the drinks are necessarily associated with the sign on the container. [7] Consequently, one could assume that Winters uses those signs within the meaning of Article 5(1) of Directive 89/104.

21. However, the Court has held that Article 5(1) and (2) of Directive 89/104 must be interpreted (in principle) as covering the use of a sign identical with, or similar to, the trade mark in respect of goods marketed or services supplied *by the third party*. [8]

22. In that connection, the Court referred also to the scheme established by Article 5 of Directive 89/104. The use of a sign in relation to goods and services within the meaning of Article 5(1) and (2) is use for the purpose of distinguishing the goods and services in question, whereas Article 5(5) is directed at 'the use of a sign other than for the purposes of distinguishing goods or services.' [9]

23. The principal tenor of that case-law was that the use of a sign had to be with a view to distinguishing goods and services. That applies in the present case as the signs in question are intended to distinguish the various drinks marketed by Smart Drinks from other drinks.

24. However, more recently, the Court stressed that the use, by a third party, of a sign identical with, or similar to, the proprietor's trade mark implies, at the very least, that that third party uses the sign in its *own*

5 — Case C-533/06 *O2 Holdings & O2 (UK)* [2008] ECR I-4231, paragraph 32.

6 — Case C-206/01 *Arsenal Football Club* [2002] ECR I-10273, paragraph 41, Case C-48/05 *Adam Opel* [2007] ECR I-1017, paragraph 20, and Joined Cases C-236/08 to C-238/08 *Google France and Google* [2010] ECR I-2417, paragraph 61.

7 — See my Opinion of 7 April 2011 in pending Case C-46/10 *Viking Gas*, point 18.

8 — *Adam Opel*, cited in footnote 6, paragraph 28, and *O2 Holdings & O2 (UK)*, cited in footnote 5, paragraph 34. See also Case C-17/06 *Céline* [2007] ECR I-7041, paragraph 22 et seq., and *Google France and Google*, cited in footnote 6, paragraph 60.

9 — Case C-63/97 *BMW* [1999] ECR I-905, paragraph 38, and *Céline*, cited in footnote 8, paragraph 20.

commercial communication.[10] That interpretation is supported by the schematic relationship – identified earlier by the Court – between Articles 5 and 6 of Directive 89/104. As the words 'goods' and 'services' appearing in Article 6(1)(b) and (c) of Directive 89/104 necessarily refer to those marketed or supplied by the third party, the use of signs identified in Article 5 must refer, in principle, also to goods and services of the third party making use of such.[11]

25. Consequently, Winters has not committed any trade mark infringement. Winters does not use the signs in the framework of its own commercial communication. In particular, the undertaking does not market the drinks cans bearing the signs in question but in the case at hand simply provides a service, that is, the filling of cans.

26. That service is entirely independent of the signs or marks in question of Red Bull. That distinguishes it from cases concerning use for the goods of another which the Court included within the scope of Article 5(1) of Directive 89/104. Those services were targeted towards a specific brand of goods[12] or which by means of comparative advertising were distinguished from other branded services.[13] In those situations, the marks were used for commercial communication.

27. In addition, the Court has recognised that, in certain circumstances, the use may also refer to goods or services of another person on whose behalf the third party is acting.[14] The case in point concerned a broker who marketed the branded goods on the instructions of the owner.[15]

28. However, the filling of branded drinks cans is not comparable to the marketing of third party goods. A broker appears vis-à-vis consumers with the sign in question. That is, he uses it in his own commercial communication and, as a result, consumers may establish, in particular, a link between the broker and the mark.[16] On the other hand, a filling plant which appears only vis-à-vis its customer with the sign in question cannot be linked with the mark.

10 — *Google France and Google*, cited in footnote 6, paragraph 56.
11 — *Adam Opel*, cited in footnote 6, paragraph 29.
12 — *BMW*, cited in footnote 9, concerned repairs to vehicles of that brand.
13 — *O2 Holdings & O2 (UK)*, cited in footnote 5, concerned comparative advertising for telephony services.
14 — *Google France and Google*, cited in footnote 6, paragraph 60, and order in Case C-62/08 *UDV North America* [2009] ECR I-1279, paragraphs 43 to 51.
15 — *UDV North America*, cited in footnote 14.
16 — *UDV North America*, cited in footnote 14, paragraphs 47 to 49.

29. Thus, the case at hand does not concern a recognised exception to the principle that for the purposes of trade mark law signs are used only in the framework of an undertaking's own commercial communication.

30. However, the present case might constitute an opportunity to develop a further exception for filling plants.

31. Particular support for that approach can be found in the fact that, in the main proceedings, it was not difficult to suspect a trade mark infringement on account of the notoriety of Red Bull's mark. That applies *a fortiori* as Winters, on its own admission, fills drinks for Red Bull itself and, thus, must be familiar with the mark.

32. However, subjective elements of that kind cannot be decisive as the infringement of the rights associated with a mark does not depend on the manifestation of any bad faith even if damages claims require, particularly under German law, intention or negligence to be shown. [17]

33. Moreover, such an exception would expose service providers such as Winters to disproportionate risks. This would affect not only drinks filling plants but all undertakings which package goods or produce packaging on the instructions of another. [18] It is practically impossible for them to ensure that the signs chosen by the client do not infringe marks belonging to another.

34. There are, in fact, innumerable simple trade marks which are not regarded as reputed for the purposes of Article 5(2) of Directive 89/104. [19] It is practically impossible for service providers to check for non-infringement thereof in every job. That applies, in particular, in relation to figurative marks which, at present, cannot be researched fully automatically. It would be even more difficult in cases involving Article 5(1)(b) of Directive 89/104 – relevant in the present case – to determine also whether there are sufficiently *similar* simple marks which could be infringed.

35. Admittedly, those difficulties associated with the avoidance of trade mark infringements are not as serious as those faced by an

17 — See Paragraph 14(6) of the German Markengesetz (Law on trade marks).

18 — In the pending Joined Cases C-400/09 *Orifarm and Others* and C-207/10 *Danmark and Paranova Pack*, the Court is currently confronted with the similar question, namely, whether on the repackaging of parallel imports of pharmaceutical products the packaging undertaking and/or the undertaking which has commissioned the repackaging must be mentioned.

19 — As of 28 February 2011, over 700000 Community trade marks were registered with the Office of Harmonisation for the Internal Market alone (http://oami.europa.eu/ows/rw/resource/documents/OHIM/statistics/ssc009-statistics_of_community_trade_marks_2011.pdf, visited on 16 March 2011).

internet referencing service which allows its clients to use trade marks and signs similar to trade marks for promotional purposes. [20] However, the cases are of a comparable nature. For that reason, as is the case with the internet service, in the present case an infringement of the mark by the service provider is precluded.

36. Admittedly, the Commission fears that to exclude the possibility of a trade mark infringement where a filling service acts on the instructions of another will invite abuse as undertakings seeking to infringe the marks of others will commission third parties to commit acts of infringement.

37. However, the fear of abuse can be countered by the third sentence of Article 11 of Directive 2004/48. That provision allows injunctions to be obtained against intermediaries whose services are used by a third party to infringe an intellectual property right.

38. Although such an injunction also presupposes the infringement of rights associated with a mark, it suffices that the use of the sign displayed on the cans can be attributed to the client of the intermediary. Subject to the answer to be given to the second question, that appears to apply in the present case, as the client, Smart Drinks, selected the signs in question and used them to identify its goods. [21]

39. Although, in contrast to the sanction applicable where an intermediary infringes a trade mark, the third sentence of Article 11 of Directive 2004/48 does not provide for damages, these can be obtained in accordance with the national provisions governing participation in a tort or delict – in particular as accessory – in the trade mark infringement committed by the client. However, as a rule, negligence alone is unlikely to suffice for the purposes of establishing participation. [22]

40. Thus, the answer to Question 1(a) must be that the mere 'filling' of packaging which bears a sign is not to be regarded as using that sign in the course of trade within the meaning of Article 5(1)(b) of Directive 89/104, if that filling represents only a service provided to and on the instructions of another person.

20 — See *Google France and Google*, cited in footnote 6, paragraph 56 et seq.

21 — See, to that effect, *Google France and Google*, cited in footnote 6, paragraph 51 et seq.

22 — On German law, see Paragraph 830 of the Bürgerliches Gesetzbuch (Civil Code) and Paragraphs 26 and 27 of the Strafgesetzbuch (Criminal Code) and, in particular, on trade mark infringements, Hacker, F., '§ 14 – Ausschließliches Recht – Rechtsfolgen der Markenverletzung', in Ströbele, P., and Hacker, F., (eds), *Markengesetz-Kommentar*, 9th ed., Carl-Heymanns-Verlag, Cologne 2009, p. 794, point 272.

B — *Question 1(b)*

41. By this question, the Hoge Raad seeks to establish whether it makes any difference if there is an infringement for the purposes of Article 5(1)(a) or (b) of Directive 89/104.

42. It is doubtful whether this question is at all relevant as, according to the reference for a preliminary ruling and its own arguments, Red Bull relies in the main proceedings on the mark RED BULL and, thus, no sign which is identical was used. Consequently, the application of Article 5(1)(a) of Directive 89/104 is precluded.

43. However, should the Court decide, nonetheless, to answer this question, I concur with the view expressed by the parties that it does not make a difference to the answer to Question 1(a) if there is an infringement for the purposes of Article 5(1)(a) or (b) of Directive 89/104.

C — *Question 2*

44. The Hoge Raad asks Question 2 only in the case that the filling service provider itself infringes the mark of Red Bull as that court appears to presume that claims against the service provider presuppose such an infringement. However, it is incorrect to make that presumption as in accordance with the third sentence of Article 11 of Directive 2004/48, the proprietor of the mark can prevent further filling activities and, in certain circumstances, may claim damages on the basis of delictual participation in the trade mark infringement where the client of the filling service provider, in this case Smart Drinks, infringes the trade mark within the meaning of Article 5 of Directive 2004/48. Therefore, notwithstanding the answer I have proposed to Question 1(a), it is necessary also to answer Question 2 in order to provide the referring court with an answer which is of use. [23]

45. It must be determined whether using the sign can 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 the Benelux area or the European Union and they cannot – except in the undertaking where the filling took place – be seen therein by the public.

23 — On the need to interpret the reference for a preliminary ruling with a view to providing a useful answer see, in particular, Case 244/78 *Union Laitière Normande* [1979] ECR 2663, paragraph 5, Case C-241/89 *SARPP* [1990] ECR I-4695, paragraph 8, and Case C-275/06 *Promusicae* [2008] ECR I-271, paragraph 42.

1. Criteria for a trade mark infringement

46. The argument that there is a trade mark infringement is supported by the fact that Article 5(3) of Directive 89/104 expressly prohibits affixing the sign to goods or to the packaging thereof (subparagraph (a)) and exporting goods under the sign (subparagraph (c)). In addition, it was already pointed to the fact that the types of conduct listed in Article 5(3) constitute use of the mark in relation to goods and services. [24]

47. However, Article 5(3) of Directive 89/104 only applies if the criteria established in Article 5(1) or (2) are satisfied.

48. In the present case, Article 5(1)(b) of Directive 89/104 must be examined. According to that provision, the proprietor of a registered trade mark is entitled to prevent all third parties from using in the course of trade 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.

49. If the referring court concludes that because of the similarity of the signs used to the trade mark of Red Bull there exists a likelihood of confusion, those criteria are *prima facie* satisfied. Export of the goods will not change that, as they are intended to be sold, and, as a result, the signs will be used in the course of trade.

50. Possible detriment to one of the functions of the mark [25] is also given, as the possibility of confusion necessarily implies that the function guaranteeing the origin of the goods may be affected. [26]

24 — See above, point 19.

25 — On this additional criterion for establishing a trade mark infringement, see *Arsenal Football Club*, cited in footnote 6, paragraph 51; Case C-487/07 *L'Oréal and Others* [2009] ECR I-5185, paragraph 60; *Google France and Google*, cited in footnote 6, paragraph 76; and Case C-558/08 *Portakabin and Portakabin* [2010] ECR I-6963, paragraph 29.

26 — See *L'Oréal*, cited in footnote 25, paragraph 59, *Portakabin and Portakabin*, cited in footnote 25, paragraph 50 et seq. and the Opinion of Advocate General Poiares Maduro in *Google France and Google*, cited in footnote 6, point 100.

2. The transit cases

51. However, uncertainties as to whether the criteria for a trade mark infringement are satisfied arise from cases in which the Court excluded the possibility of a trade mark infringement on the transit of goods. [27]

52. One might interpret those cases as meaning that the Court has permitted, notwithstanding the provisions of Article 5(3)(c) of Directive 89/104, both the import and export of such goods.

53. However, such an interpretation is misplaced.

54. In the recent transit cases, the Court stressed in each case the existing customs control of the goods. [28] At issue was the external transit procedure in which everything happens as if, before the goods entered into free circulation, which was only to happen in the country of destination, they had not entered Community territory. [29]

55. As long as goods remain in customs control, they cannot be marketed within the European Union and thereby infringe the rights associated with the trade mark. [30] However, where those goods are subject to the act of a third party while placed under the external transit procedure which necessarily entails their being put on the market in the Member State of transit, [31] the trade mark proprietor can oppose their further transit.

56. On the other hand, goods manufactured in the territory in which the trade mark is protected are, in principle, not subject to customs control. Instead, they are in free circulation in that territory even where they are intended for immediate export. Accordingly, there is a risk that the goods will be marketed within the territory for which the trade mark is registered as the owner may change his mind or a third party could take possession of the goods.

27 — Case C-115/02 *Rioglass and Transremar* [2003] ECR I-12705, Case C-405/03 *Class International* [2005] ECR I-8735, and Case C-281/05 *Montex Holdings* [2006] ECR I-10881.

28 — *Class International*, cited in footnote 27, paragraph 37 et seq., and *Montex Holdings*, cited in footnote 27, paragraph 16 et seq.

29 — *Montex Holdings*, cited in footnote 27, paragraph 18.

30 — See the Opinion of Advocate General Jacobs in *Class International*, cited in footnote 27, point 36.

31 — *Montex Holdings*, cited in footnote 27, paragraph 23.

57. That risk of a trade mark infringement justifies the prohibition, in accordance with Article 5 of Directive 89/104, on using the sign in the territory for which the trade mark is registered if the goods bearing the sign are destined exclusively for export to countries outside that area and they cannot – except in the undertaking where the filling took place – be seen therein by the public.

D — *Question 3*

58. Question 3 concerns the criterion which must be applied in determining whether there has been a trade mark infringement.

59. If a third party uses a sign similar to a trade mark for goods and services which are similar to those covered by the trade mark, the proprietor of the trade mark may oppose the use of that sign only where there is a likelihood of confusion. The risk that the public might believe that the goods or services in question come from the same undertaking, or from economically-linked undertakings, constitutes a likelihood of confusion. [32]

60. Question 3 seeks now to ascertain the public which must be considered in the present case. Should the criterion be the perception of an average consumer who is reasonably well-informed and reasonably observant and circumspect in the area for which the trade mark is registered 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?

61. The answer to that question follows from the considerations I set out in relation to Question 2 and, in particular, the territorial limits to the protection given by the trade mark. Given that in the case of export goods any trade mark infringement results from the possibility that these goods are marketed within the territory in which the trade mark is protected, [33] the perception of an average consumer, who is reasonably well-informed and reasonably observant and circumspect, in that area must apply.

32 — *Portakabin and Portakabin*, cited in footnote 25, paragraph 50 et seq., with further references.

33 — See above, in particular, point 56 et seq.

V — Conclusion

62. I therefore propose that the Court answer the questions referred for a preliminary ruling as follows:

1. he mere 'filling' of packaging which bears a sign is not to be regarded as using that sign in the course of trade within the meaning of Article 5(1)(b) of the First Council Directive 89/104/EEC to approximate the laws of the Member States relating to trade marks, if that filling represents only a service provided to and on the instructions of another person.

2. Article 5(1)(b) of Directive 89/104 allows use of a sign that may be confused with a trade mark to be prohibited in the territory for which the trade mark is registered if the goods bearing the sign are destined exclusively for export to countries outside that area and they cannot – except in the undertaking where the filling took place – be seen therein by the public.

3. The likelihood of confusion must be determined by reference to the perception of an average consumer, who is reasonably well-informed and reasonably observant and circumspect, in the territory for which the trade mark is registered.