Reports of Cases

JUDGMENT OF THE COURT (Second Chamber)

6 February 2014*

(Reference for a preliminary ruling — Regulation No 1383/2003 — Measures to prevent counterfeit or pirated goods being placed on the market — Article 2 — Scope of the Regulation — Private sale by internet of a counterfeit watch from a non-member country to an individual residing in a Member State — Seizure of the watch by the customs authorities on entry into the territory of the Member State — Lawfulness of seizure — Conditions — Conditions relating to infringement of intellectual property rights — Directive 2001/29/EC — Article 4 — Distribution to the public — Directive 2008/95/EC — Article 5 — Regulation (EC) No 207/2009 — Article 9 — Use in the course of trade)

In Case C-98/13,

REQUEST for a preliminary ruling under Article 267 TFEU from the Højesteret (Denmark), made by decision of 25 February 2013, received at the Court on 27 February 2013, in the proceedings

Martin Blomqvist

v

Rolex SA,

Manufacture des Montres Rolex SA,

THE COURT (Second Chamber),

composed of R. Silva de Lapuerta, President of the Chamber, J.L. da Cruz Vilaça, G. Arestis, J.-C. Bonichot (Rapporteur) and A. Arabadjiev, Judges,

Advocate General: P. Cruz Villalón,

Registrar: A. Calot Escobar,

having regard to the written procedure,

after considering the observations submitted on behalf of:

— Mr Blomqvist, by J. Petersen, advokat,

— Rolex SA and Manufacture des Montres Rolex SA, by K. Dyekjær and T. Mølsgaard, advokater,

— the Estonian Government,, by N. Grünberg and M. Linntam, acting as Agents,

— the French Government, by D. Colas and B. Beaupère-Manokha, acting as Agents,

* Language of the case: Danish.

— the Polish Government, by B. Majczyna, acting as Agent,

— the European Commission, by M. Clausen and F.W. Bulst, acting as Agents,

having decided, after hearing the Advocate General, to proceed to judgment without an Opinion,

gives the following

Judgment

1 This request for a preliminary ruling concerns the interpretation of Council Regulation (EC) No 1383/2003 of 22 July 2003 concerning customs action against goods suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights (OJ 2003 L 196, p. 7, 'the customs regulation'), Article 4(1) of 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, 'the copyright directive'), Article 5(1) and (3) 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, 'the trade mark directive') and Article 9(1) and (2) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1, 'the Community trade mark regulation').

2 The request has been made in proceedings brought by Rolex SA and Manufacture des Montres Rolex SA ('Rolex') against Mr Blomqvist concerning the destruction of a counterfeit watch which Mr Blomqvist had bought through a Chinese online sales website and which was seized by the customs authorities.

Legal context

European Union law

The customs regulation

3 Recitals 2 and 8 in the preamble to the customs regulation state:

'(2) The marketing of counterfeit and pirated goods, and indeed all goods infringing intellectual property rights, does considerable damage to law-abiding manufacturers and traders and to right-holders, as well as deceiving and in some cases endangering the health and safety of consumers. Such goods should, in so far as is possible, be kept off the market and measures adopted to deal effectively with this unlawful activity without impeding the freedom of legitimate trade. This objective is consistent with efforts under way at international level.

…

(8) Proceedings initiated to determine whether an intellectual property right has been infringed under national law will be conducted with reference to the criteria used to establish whether goods produced in that Member State infringe intellectual property rights. This Regulation does not affect the Member States' provisions on the competence of the courts or judicial procedures.'

4 Article 1 of the regulation provides:

‘1. This Regulation sets out the conditions for action by the customs authorities when goods are suspected of infringing an intellectual property right in the following situations:

…

(b) when they are found during checks on goods entering or leaving the Community customs territory in accordance with Articles 37 and 183 of [Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code (OJ 1992 L 302, p. 1)], …

2. This Regulation also fixes the measures to be taken by the competent authorities when the goods referred to in paragraph 1 are found to infringe intellectual property rights.’

5 Article 2(1)(a) and (b) of that regulation is worded as follows:

‘For the purposes of this Regulation, “goods infringing an intellectual property right” means:

(a) “counterfeit goods”, namely:

(i) goods, including packaging, bearing without authorisation a trade mark identical to the trade mark validly registered in respect of the same type of goods, or which cannot be distinguished in its essential aspects from such a trade mark, and which thereby infringes the trade mark holder’s rights under Community law, as provided for by [Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1)] or the law of the Member State in which the application for action by the customs authorities is made;

…

(b) “pirated goods”, namely goods which are or contain copies made without the consent of the holder of a copyright or related right or design right, regardless of whether it is registered in national law, or of a person authorised by the right-holder in the country of production in cases where the making of those copies would constitute an infringement of that right under [Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs (OJ 2001 L 3, p. 1)] or the law of the Member State in which the application for customs action is made.’

6 Article 9(1) of the regulation provides:

‘Where a customs office … is satisfied … that goods in one of the situations referred to in Article 1(1) are suspected of infringing an intellectual property right …, it shall suspend release of the goods or detain them.’

7 According to the first paragraph of Article 10 of that regulation:

‘The law in force in the Member State within the territory of which the goods are placed in one of the situations referred to in Article 1(1) shall apply when deciding whether an intellectual property right has been infringed under national law.’

8 According to Article 17(1) of that regulation:

‘Without prejudice to the other legal remedies open to the right-holder, Member States shall adopt the measures necessary to allow the competent authorities:

(a) in accordance with the relevant provisions of national law, to destroy goods found to infringe an intellectual property right or dispose of them outside commercial channels in such a way as to preclude injury to the right-holder, without compensation of any sort and, unless otherwise specified in national legislation, at no cost to the exchequer;

…’

The copyright directive

9 Article 4(1) of the copyright directive is worded as follows:

‘Member States shall provide for authors, in respect of the original of their works or of copies thereof, the exclusive right to authorise or prohibit any form of distribution to the public by sale or otherwise.’

The trade mark directive

10 Article 5(1), and (3) of the trade mark directive provides:

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

(a) any sign which is identical with the trade mark …;

…

3. The following, inter alia, may be prohibited under paragraphs 1 and 2:

…

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

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

…’

The Community trade mark regulation

11 Article 9(1) and (2) of the Community trade mark regulation provides that:

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

(a) any sign which is identical with the Community trade mark …;

…

2. The following, inter alia, may be prohibited under paragraph 1:

…

(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;

…’

Danish law

12 Under Paragraph 2(1) and (3) of the Ophavsretsloven (Law on copyright): in the version resulting from Consolidated Law (Lovbekendtgørelse) No 202 of 27 February 2010, which implemented the copyright directive:

‘1. Subject to the limitations laid down in this law, copyright shall entail the exclusive right to dispose of the work by reproducing it and by making it accessible to the public, whether in the original or modified form, in translation, in adaptation into another literary or artistic form or into other technology.

…

3. The work is made available to the public if

(1) copies of the work are offered for sale, rental or lending or distribution to the public in some other manner;

(2) copies are exhibited in public; or

(3) the work is performed in public.’

13 Under Paragraph 4(1) and (3) of the Varemærkeloven (Law on trade marks) in the version resulting from Consolidated Law (Lovbekendtgørelse) No 109 of 24 January 2012, which implemented the trade mark directive:

‘1. The proprietor of a trade mark right shall be entitled to prohibit other persons not having his consent from using in the course of trade any sign if:

(1) the sign is identical with the trade mark, and the goods or services for which the sign is used are of the same kind as the goods or services in respect of which the trade mark is protected, or

(2) the sign is identical with, or similar to, the trade mark, and the goods or services are identical with, or similar to, those covered by the trade mark, if there is a likelihood of confusion, including the likelihood of association with the trade mark.

…

3. Use in the course of trade means in particular:

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

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

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

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

14 According to Paragraph 5 of Consolidated Law No 1047 of 20 October 2005 on the application of the Council Regulation concerning goods suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights (Lovbekendtgørelse nr. 1047 af 20. oktober 2005 om anvendelse af Det Europæiske Fællesskabs forordning om toldmyndighedernes indgriben over for varer, der mistænkes for at krænke visse intellektuelle ejendomsrettigheder, og om de foranstaltninger, som skal træffes over for varer, der krænker sådanne rettigheder):

'1. In the course of proceedings initiated pursuant to Article 9 of the Regulation, the recipient of the goods may ask the court to determine whether the conditions for suspension of the release of the goods under Article 9 of the Regulation are met. The court may order that the goods be released.

2. The recipient of the goods may not refer the decision of the Customs and Tax Administration on suspension of the release of the goods to a higher administrative authority.'

15 Paragraph 4 of Decree No 12 of 9 January 2006 implementing the Council Regulation concerning goods suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights (Bekendtgørelse nr. 12 af 9. januar 2006 om anvendelse af Det Europæiske Fællesskabs forordning om toldmyndighedernes indgriben over for varer, der mistænkes for at krænke visse intellektuelle ejendomsrettigheder, og om de foranstaltninger, som skal træffes over for varer, der krænker sådanne rettigheder) provides:

'1. Goods found to infringe an intellectual property right which is covered by the definition in Article 2(1) of the Regulation shall be forfeited to the Exchequer and destroyed. Destruction shall be carried out under the conditions set out in Article 17(1)(a) of the Regulation.

2. No compensation shall be paid for the destruction of goods pursuant to subparagraph 1.'

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

16 In January 2010, Mr Blomqvist, a resident of Denmark, ordered a watch described as a Rolex from a Chinese on-line shop. The order was placed and paid for through the English website of the seller. The seller sent the watch from Hong Kong by post.

17 The parcel was inspected by the customs authorities on arrival in Denmark. They suspended the customs clearance of the watch, suspecting that it was a counterfeit version of the original Rolex watch and that there had been a breach of copyright over the model concerned. They informed Rolex and Mr Blomqvist of this on 18 March 2010.

18 In accordance with the procedure laid down by the customs regulation, Rolex then requested the continued suspension of customs clearance, having established that the watch was in fact counterfeit, and asked Mr Blomqvist to consent to the destruction of the watch by the customs authorities.

19 Mr Blomqvist refused to consent to the destruction of the watch, contending that he had purchased it legally.

20 Rolex then brought an action before the Sø- og Handelsretten (Maritime and Commercial Court) seeking an order that Mr Blomqvist allow the suspension of release and the destruction of the watch without compensation. That court granted Rolex's claim.

21 Mr Blomqvist brought an appeal before the Højesteret (Supreme Court). That court raised the question whether, in a situation such as that in the present case, an intellectual property right had actually been infringed, as required for the implementation of the customs regulation, given that, for that regulation to apply, first, there must be a breach of copyright or of a trade mark right which is protected in Denmark and, second, the alleged breach must take place in the same Member State. Since it is established that Mr Blomqvist bought his watch for personal use and did not breach Danish law on copyright and trade marks, the question arises, for the referring court, whether the seller infringed copyright or trade mark law in Denmark. Consequently, and in the light of the case-law of the Court of Justice (Case C-324/09 *L'Oréal and Others* [2011] ECR I-6011; Joined Cases C-446/09 and C-495/09 *Philips* [2011] ECR I-12435, and Case C-5/11 *Donner* [2012] ECR), the Højesteret raises the question whether, in the present case, there is any distribution to the public, within the meaning of the copyright directive, and any use in the course of trade, within the meaning of the trade mark directive and the trade mark regulation.

22 In those circumstances, the Højesteret decided to stay the proceedings and to refer the following questions to the Court of Justice for a preliminary ruling:

'1. Is Article 4(1) of 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 to be interpreted in such a way that it must be viewed as constituting "distribution to the public" in a Member State of copyright-protected goods if an undertaking enters into an agreement via a website in a third country for the sale and dispatch of the goods to a private purchaser with an address known to the vendor in the Member State where the goods are protected by copyright, receives payment for the goods and effects dispatch to the purchaser at the agreed address, or is it also a condition in that situation that the goods must have been the subject, prior to the sale, of an offer for sale or an advertisement targeted at, or shown on a website intended for, consumers in the Member State where the goods are delivered?

2. Is Article 5(1) and (3) 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 to be interpreted in such a way that it must be viewed as constituting "[use] in the course of trade" of a trade mark in a Member State if an undertaking enters into an agreement via a website in a third country for the sale and dispatch of goods bearing the trade mark to a private purchaser with an address known to the vendor in the Member State where the trade mark is registered, receives payment for the goods and effects dispatch to the purchaser at the agreed address, *or* is it also a condition in that situation that the goods must have been the subject, prior to the sale, of an offer for sale or an advertisement targeted at, or shown on a website intended for, consumers in the State in question?

3. Is Article 9(1) and (2) of Council Regulation No 207/2009 of 26 February 2009 on the Community trade mark to be interpreted in such a way that it must be viewed as constituting "[use] in the course of trade" of a trade mark in a Member State if an undertaking enters into an agreement via a website in a third country for the sale and dispatch of goods bearing the Community trade mark to a private purchaser with an address known to the vendor in a Member State, receives payment for the goods and effects dispatch to the purchaser at the agreed address, or is it also a

condition in that situation that the goods must have been the subject, prior to the sale, of an offer for sale or an advertisement targeted at, or shown on a website intended for, consumers in the State in question?

4. Is Article 2(1)(b) of Council Regulation No 1383/2003 of 22 July 2003 concerning customs action against goods suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights to be interpreted in such a way that it is a condition for the application in a Member State of the provisions on the prevention of release for free circulation and the destruction of "pirated goods" that "distribution to the public" must have occurred in the Member State under the same criteria as indicated in the answer to question 1?

5. Is Article 2(1)(a) of Council Regulation No 1383/2003 of 22 July 2003 concerning customs action against goods suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights to be interpreted in such a way that it is a condition for the application in a Member State of the provisions on the prevention of release for free circulation and the destruction of "counterfeit goods" that "[use] in the course of trade" must have occurred in the Member State under the same criteria as indicated in the answers to questions 2 and 3?'

The questions referred for a preliminary ruling

23 As a preliminary point it must be observed that, by its questions, the referring court seeks clarification of the term 'distribution to the public' within the meaning of Article 4(1) of the copyright directive and of the term '[use] in the course of trade' within the meaning of Article 5(1) and (3) of the trade mark directive and Article 9(1) and (2) of the Community trade mark regulation, in order to assess, in the main proceedings, whether there was any infringement of an intellectual property right.

24 According to the definition of the terms 'counterfeit goods' and 'pirated goods' in Article 1(2) of Regulation No 3295/94 and Article 2(1) of Regulation No 1383/2003, they cover infringements of a trade mark, copyright, a related right or a design which applies pursuant to European Union legislation or pursuant to the domestic law of the Member State in which the application for action by the customs authorities is made. It follows that only infringements of intellectual property rights as conferred by European Union law and the national law of the Member States are covered (*Philips*, paragraph 50).

25 The customs regulation introduces no new criterion for the purposes of ascertaining the existence of an infringement of intellectual property rights (see, to that effect, Case C-281/05 *Montex Holdings* [2006] ECR I-10881, paragraph 40). Such an infringement can, therefore, be relied on to justify action by the customs authorities under that regulation only if the sale of the goods concerned is liable to affect the rights conferred under the conditions laid down by the copyright directive, the trade mark directive and the Community trade mark regulation.

26 In those circumstances the questions referred must be understood as meaning that the referring court seeks to know whether it follows from the customs regulation that, in order for the holder of an intellectual property right over goods sold to a person residing in the territory of a Member State through an online sales website in a non-member country to enjoy the protection afforded to that holder by that regulation at the time when those goods enter the territory of that Member State, that sale must be considered, in that Member State, as a form of distribution to the public or as constituting use in the course of trade. The referring court also raises the question whether, prior to the sale, the goods must have been the subject of an offer for sale or advertising targeting consumers in the same State.

27 In that regard, it must be borne in mind, first, that the proprietor of a trade mark is entitled to prohibit a third party from using, without the proprietor's consent, a sign identical with that 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 is registered, and affects, or is liable to affect, the functions of the trade mark (Joined Cases C-236/08 to C-238/08 *Google France and Google* [2010] ECR I-2417, paragraph 49 and the case-law cited).

28 Second, under the copyright directive, an exclusive right is conferred on authors to authorise or prohibit any form of distribution to the public by sale or otherwise of the original of their works or copies thereof. Distribution to the public is characterised by a series of acts going, at the very least, from the conclusion of a contract of sale to the performance thereof by delivery to a member of the public. A trader in such circumstances bears responsibility for any act carried out by him or on his behalf giving rise to a 'distribution to the public' in a Member State where the goods distributed are protected by copyright (see, to that effect, *Donner*, paragraphs 26 and 27).

29 Accordingly, European Union law requires that the sale be considered, in the territory of a Member State, to be a form of distribution to the public within the meaning of the copyright directive, or use in the course of trade within the meaning of the trade mark directive and the Community trade mark regulation. Such distribution to the public must be considered proven where a contract of sale and dispatch has been concluded.

30 It is not disputed that, in the case in the main proceedings, Rolex is the holder in Denmark of the copyright and trade mark right which it claims and that the watch at issue in that case constitutes counterfeit goods and pirated goods within the meaning of Article 2(1)(a) and (b) of the customs regulation. Nor is it disputed that Rolex would have been entitled to claim an infringement of its rights if those goods had been offered for sale by a trader established in that Member State, since, on the occasion of such a sale, made for commercial purposes, use would have been made, on distribution to the public, of its rights in the course of trade. It therefore remains to be ascertained, in order to reply to the questions referred, whether a holder of intellectual property rights, such as Rolex, may claim the same protection for its rights where, as in the case in the main proceedings, the goods at issue were sold from an online sales website in a non-member country on whose territory that protection is not applicable.

31 Admittedly, the mere fact that a website is accessible from the territory covered by the trade mark is not a sufficient basis for concluding that the offers for sale displayed there are targeted at consumers in that territory (*L'Oréal and Others*, paragraph 64).

32 However, the Court has held that the rights thus protected may be infringed where, even before their arrival in the territory covered by that protection, goods coming from non-member States are the subject of a commercial act directed at consumers in that territory, such as a sale, offer for sale or advertising (see, to that effect, *Philips*, paragraph 57 and the case-law cited).

33 Thus, goods coming from a non-member State which are imitations of goods protected in the European Union by a trade mark right or copies of goods protected in the European Union by copyright, a related right or a design can be classified as 'counterfeit goods' or 'pirated goods' where it is proven that they are intended to be put on sale in the European Union, such proof being provided, inter alia, where it turns out that the goods have been sold to a customer in the European Union or offered for sale or advertised to consumers in the European Union (see, to that effect, *Philips*, paragraph 78).

34 It is common ground that, in the case in the main proceedings, the goods at issue were the subject of a sale to a customer in the European Union, such a situation not being therefore in any event comparable to that of goods on offer in an 'online marketplace', nor that of goods brought into the customs territory of the European Union under a suspensive procedure. Consequently, the mere fact

that the sale was made from an online sales website in a non-member country cannot have the effect of depriving the holder of an intellectual property right over the goods which were the subject of the sale of the protection afforded by the customs regulation, without it being necessary to verify whether such goods were, in addition, prior to that sale, the subject of an offer for sale or advertising targeting European Union consumers.

35 In the light of the foregoing, the answer to the questions referred is that the customs regulation must be interpreted as meaning that the holder of an intellectual property right over goods sold to a person residing in the territory of a Member State through an online sales website in a non-member country enjoys the protection afforded to that holder by that regulation at the time when those goods enter the territory of that Member State merely by virtue of the acquisition of those goods. It is not necessary, in addition, for the goods at issue to have been the subject, prior to the sale, of an offer for sale or advertising targeting consumers of that State.

Costs

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

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

Council Regulation (EC) No 1383/2003 of 22 July 2003 concerning customs action against goods suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights must be interpreted as meaning that the holder of an intellectual property right over goods sold to a person residing in the territory of a Member State through an online sales website in a non-member country enjoys the protection afforded to that holder by that regulation at the time when those goods enter the territory of that Member State merely by virtue of the acquisition of those goods. It is not necessary, in addition, for the goods at issue to have been the subject, prior to the sale, of an offer for sale or advertising targeting consumers of that State.

[Signatures]