



Reports of Cases

OPINION OF ADVOCATE GENERAL
CAMPOS SÁNCHEZ-BORDONA
delivered on 26 April 2018¹

Case C-129/17

**Mitsubishi Shoji Kaisha Ltd,
Mitsubishi Caterpillar Forklift Europe BV
v
Duma Forklifts NV,
G.S. International BVBA**

**(Request for a preliminary ruling
from the Hof van beroep Brussel (Court of Appeal, Brussels, Belgium))**

(Preliminary ruling — European Union trade mark — Rights conferred by a trade mark —
Parallel imports into the EEA — Rebranding of goods prior to import into the EEA)

1. Once a distinctive sign has been registered as a trade mark, its proprietor enjoys, against third parties, a number of rights that enable him to rely on that sign in opposition to his competitors. Those rights include the right to prohibit use of the trade mark in the course of trade without the proprietor's consent.
2. EU law also protects the proprietor's right to authorise, in the territory of the European Economic Area (EEA), the first placing on the market of goods bearing the trade mark. Once exercised, there appears what is known as the *exhaustion of the rights conferred by the trade mark*, meaning that the proprietor will be able to oppose subsequent sales of those goods only in certain specified situations.²
3. There are two particular circumstances at issue in this reference for a preliminary ruling:
 - First, a third party removed, without the trade mark proprietor's consent, the latter's distinctive signs (debranding) that were affixed to forklift trucks, which had not previously been placed on the market in the EEA as they were stored under customs warehousing arrangements.
 - Second, the third party removed those signs in order to import those goods into the EEA or place them on the market in the EEA after affixing its own sign to them (rebranding).³
4. On the basis of those facts, the referring court has submitted to the Court of Justice its uncertainties regarding the limits of the rights conferred on trade mark proprietors by the applicable trade mark legislation. In particular, the referring court asks whether a third party who has behaved in the manner described above has *used* the registered mark, thereby infringing the rights from which the proprietor of that mark benefits.

¹ Original language: Spanish.

² However, there is no such exhaustion of the right if the goods bearing the registered mark were sold first in third countries.

³ I shall use the terms 'debranding' and 'rebranding' from now on, although I may occasionally use a periphrasis.

I. Legal framework

5. In EU law, the legal rules governing the protection of trade marks comprise measures harmonising national laws (inter alia, Directive 2008/95/EC,⁴ the subsequent amendments of which are not relevant to this case)⁵ and provisions governing the EU trade mark,⁶ applicable to all operators who choose to use that kind of trade mark which covers the whole of the European Union.⁷

A. Trade mark legislation

1. Directive 2008/95

6. Recital 11 reads:

‘The protection afforded by the registered trade mark, the function of which is in particular to guarantee the trade mark as an indication of origin, should be absolute in the case of identity between the mark and the sign and the goods or services. The protection should apply also in the case of similarity between the mark and the sign and the goods or services ...’

7. Article 5 (‘Rights conferred by a trade mark’) provides in paragraphs 1 and 3:

‘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; the likelihood of confusion includes the likelihood of association between the sign and the trade mark.

...

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

- (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;

⁴ Directive 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).

⁵ 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) amended the above directive but is not applicable *ratione temporis* to the case.

⁶ The version applicable to these proceedings is Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1). There is a later version, codified in 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), which is also not applicable *ratione temporis* to the facts of the dispute.

⁷ Since 23 March 2016, ‘Community’ trade marks have been known as ‘European Union trade marks’, pursuant to Article 1(2) of Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015 amending Council Regulation (EC) No 207/2009 on the Community trade mark and Commission Regulation (EC) No 2868/95 implementing Council Regulation (EC) No 40/94 on the Community trade mark, and repealing Commission Regulation (EC) No 2869/95 on the fees payable to the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OJ 2015 L 341, p. 21). From now on, I shall refer to these as ‘EU trade marks’.

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

8. Article 7 (‘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.’

2. Regulation No 207/2009

9. Recital 9 reads:

‘It follows from the principle of free movement of goods that the proprietor of a [European Union] trade mark must not be entitled to prohibit its use by a third party in relation to goods which have been put into circulation in the [European Union], under the trade mark, by him or with his consent, save where there exist legitimate reasons for the proprietor to oppose further commercialisation of the goods.’

10. Articles 9 (‘Rights conferred by a [European Union] trade mark’) and 13 (‘Exhaustion of the rights conferred by a [European Union] trade mark’) are equivalent to Articles 5 and 7 of Directive 2008/95, respectively.

B. Customs legislation

11. The customs warehousing procedure applicable *ratione temporis* to this case was included, as one of the special procedures, in Title VII, Chapter I (‘General provisions’), Article 135, (‘Scope’), point (b), of Regulation (EC) No 450/2008 on the Union Customs Code.⁸

12. Article 141 (‘Usual forms of handling’) of the Union Customs Code states:

‘Goods placed under customs warehousing or a processing procedure or in a free zone may undergo usual forms of handling intended to preserve them, improve their appearance or marketable quality or prepare them for distribution or resale.’

⁸ Regulation of the European Parliament and of the Council of 23 April 2008 laying down the Community Customs Code (Modernised Customs Code) (OJ 2008 L 145, p. 1). It has now been replaced by Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (OJ 2013 L 269, p. 1).

13. Article 531 of the Regulation implementing the Customs Code⁹ provides that '[n]on-Community goods may undergo the usual forms of handling listed in Annex 72.' That annex specifies the definition of 'usual forms of handling' and, in so far as is relevant for the purposes of this case, includes in that regard:

'16. packing, unpacking, change of packing, decanting and simple transfer into containers, even if this results in a different eight-digit CN code, affixing, removal and altering of marks, seals, labels, price tags or other similar distinguishing signs'.¹⁰

C. Legislation on unfair competition

14. Since reliance on the legislation on unfair competition possibility cannot be excluded, reference should be made to Article 10 *bis* of the Paris Convention,¹¹ which is worded as follows:

'(1) The countries of the Union are bound to assure to nationals of such countries effective protection against unfair competition.

(2) Any act of competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition.

(3) The following in particular shall be prohibited:

- (i) all acts of such a nature as to create confusion by any means whatever with the establishment, the goods, or the industrial or commercial activities, of a competitor;
- (ii) false allegations in the course of trade of such a nature as to discredit the establishment, the goods, or the industrial or commercial activities, of a competitor;
- (iii) indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods.'

⁹ Commission Regulation (EEC) No 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code (OJ 1993 L 253, p. 1), in the amended version applicable to the facts of the main proceedings ('Regulation implementing the Customs Code').

¹⁰ Article 180 of Commission Delegated Regulation (EU) 2015/2446 of 28 July 2015 supplementing Regulation No 952/2013 as regards detailed rules concerning certain provisions of the Union Customs Code (OJ 2015 L 343, p. 1), which is not applicable *ratione temporis*, refers to Article 220 of the Code, which, in turn, refers to Annex 71-03, point 18 of which is worded identically to point 16 of Council Regulation (EEC) No 2913/92 of 12 October 1992 (OJ 1992 L 302, p. 1).

¹¹ Convention for the Protection of Industrial Property, signed in Paris on 20 March 1883, last revised in Stockholm on 14 July 1967 and amended on 28 September 1979 (United Nations Treaties Series, vol. 828, No 11851, p. 305).

II. Facts of the main proceedings and questions referred for a preliminary ruling

A. Facts

15. Mitsubishi Shoji Kaisha Ltd., a company established in Japan ('Mitsubishi'), manages worldwide the Mitsubishi group's trade mark portfolio. In that capacity, it acts as the proprietor of the following trade marks ('the Mitsubishi trade marks'):

- two EU trade marks: one, the word mark 'MITSUBISHI', registered on 24 September 2001, and the other, a figurative mark, registered on 3 March 2000, depicted graphically below; both are registered for, inter alia, goods in Class 12, including motor vehicles, electric vehicles and forklift trucks:



- two Benelux trade marks, registered on 1 June 1974: one the word mark 'MITSUBISHI' and the other a figurative mark with an identical graphic representation to the EU figurative mark; both cover, inter alia, goods in class 12, including land vehicles and means of transport.

16. Mitsubishi Caterpillar Forklift Europe BV ('MCFE'), established in the Netherlands, is exclusively authorised to manufacture and place on the market in the EEA forklift trucks under the Mitsubishi brand. MCFE works with official dealers who sell the forklift trucks in the EEA. Outside the EEA, Mitsubishi forklift trucks are essentially made by Mitsubishi Heavy Industries Ltd., which is also a Mitsubishi group company but is independent of the company managing the trade marks.

17. Duma Forklifts NV ('Duma'), a company established in Belgium, has as its main activity the worldwide purchase and sale of, inter alia, new and second hand Mitsubishi, Caterpillar, Nissan and Toyota forklift trucks. It also manufactures its own forklift trucks under the names 'GSI', 'GS' and 'Duma', and acts as a wholesale supplier of forklift trucks, excavators, mini tractors and stackers which it sells both inside and outside the EEA. Until the mid-1990s it belonged to the official dealer network for Mitsubishi forklift trucks in Belgium.

18. G.S. International BVBA ('GSI'), also established in Belgium, is affiliated with Duma, and they have the same director and head office. GSI builds and repairs forklift trucks which, together with their spare parts, it imports and exports wholesale on the world market. It also adapts forklift trucks to bring them into line with the applicable EU law and provides them with its own serial numbers. After a number of forms of handling, GSI delivers the machines to Duma with the relevant EC declaration of conformity, which it completes itself.

19. According to the order for reference, between 1 January 2004 and 12 November 2009, Duma and GSI were involved in the unlawful parallel trade — that is to say, without the consent of the proprietor of the Mitsubishi trade marks — in forklift trucks bearing the Mitsubishi trade marks. However, that conduct is not the subject of the questions referred for a preliminary ruling.

20. On the other hand, since 20 November 2009, Duma and GSI have purchased forklift trucks from an undertaking in the Mitsubishi group and placed them under a customs warehousing procedure. During the period that the forklift trucks remained under that procedure, both undertakings:

- embarked on full-scale debranding of the machines, from which they removed the Mitsubishi trade marks;
- made the modifications necessary to bring the forklift trucks into line with EU rules;
- affixed their own trade marks to the forklift trucks and replaced the identification plates and serial numbers with their own identification plates and serial numbers;
- finally, imported the vehicles into the EEA and third countries where they sold them.

B. Proceedings before the national courts

21. On 10 November 2008, Mitsubishi and MCFE brought an action before the Rechtbank van koophandel te Brussel (Commercial Court, Brussels, Belgium), seeking cessation of the parallel imports, debranding and rebranding, acts which they alleged Duma and GSI had carried out. By judgment of 17 March 2010, that court dismissed the action as unfounded.

22. Mitsubishi and MCFE appealed against the first-instance judgment. In short, they claim that the Hof van beroep Brussel (Court of Appeal, Brussels, Belgium) should set aside the judgment and prohibit the parallel trade in forklift trucks bearing the Mitsubishi trade marks and forklift trucks which have been debranded.

23. The appellants claim that the practice of debranding the forklift trucks, rebranding them with a different mark and then importing them into the EEA infringes their trade mark rights. In addition to disregarding the function of indicating the origin of the product, the conduct at issue breaches the right of the trade mark proprietor to control the first placing on the market in the EEA of goods bearing his trade marks. A customs warehouse should not become a completely duty-free zone and, after the debranding and rebranding, the consumer would continue to recognise the Mitsubishi forklift trucks.

24. Duma and GSI deny that Mitsubishi's rights have been infringed. The trade marks removed during the customs warehousing procedure were Asian, not European. Moreover, since they adapted the forklift trucks to bring them into line with the applicable EU rules, they regard themselves as the manufacturers of those vehicles and, therefore, as being entitled to affix their own marks to them.

25. In the order containing the reference for a preliminary ruling, the appeal court has (partially) upheld the appeals of Mitsubishi and MCFE in relation to the facts prior to 20 November 2009. However, it has questions regarding the applicability of the trade mark proceedings to the acts which took place after that date, that is, to the removal of the Mitsubishi trade marks, the replacement of those marks with other marks belonging to Duma and GSI, and the removal of the identification plates and serial numbers from the vehicles. The referring court takes the view that the Court of Justice has not yet ruled on the practice of debranding, as carried out by Duma and GSI.

26. In those circumstances, the Hof van beroep Brussel (Court of Appeal, Brussels) has referred the following questions to the Court for a preliminary ruling:

- ‘(1) (a) Do Article 5 of Directive 2008/95/EC and Article 9 of Council Regulation (EC) No 207/2009 ... cover the right of the trade-mark proprietor to oppose the removal, by a third party, without the consent of the trade-mark proprietor, of all signs identical to the trade marks

which had been applied to the goods (debranding), in the case where the goods concerned have never previously been traded within the European Economic Area, such as goods placed in a customs warehouse, and where the removal by the third party occurs with a view to importing or placing those goods on the market within the European Economic Area?

- (b) Does it make any difference to the answer to Question (a) above whether the importation of those goods or their placing on the market within the European Economic Area occurs under its own distinctive sign applied by the third party (rebranding)?
- (2) Does it make any difference to the answer to the first question whether the goods thus imported or placed on the market are, on the basis of their outward appearance or model, still identified by the relevant average consumer as originating from the trade-mark proprietor?

III. Procedure before the Court of Justice and the parties' positions

A. Procedure

27. The order for reference was received at the Registry of the Court on 13 March 2017, and written observations were lodged by Mitsubishi, Duma, the German Government and the Commission.

28. A hearing was held on 8 February 2018, which was attended by the representatives of Mitsubishi, Duma and the Commission.

B. Summary of the parties' submissions

29. Mitsubishi¹² claims that the only reason why Duma and GSI handle forklift trucks purchased outside the EEA in the way described is to circumvent the rules on exhaustion of the rights conferred by a trade mark. Mitsubishi proposes that Article 5 of Directive 2008/95 and the equivalent provision of Regulation No 207/2009 (Article 9) should be interpreted as granting a trade mark proprietor the right to oppose the removal by a third party, without his consent, of signs affixed to goods where those goods have not yet been placed on the market in the EEA, such as goods in a customs warehouse.

30. Mitsubishi also contends that the list of types of use which a proprietor may prohibit third parties from making of a trade mark, contained in Article 5(3) of Directive 2008/95 and Article 9(2) of Regulation No 207/2009, is not exhaustive.¹³ In its submission, the right of a proprietor to control the first placing on the market constitutes the specific purpose of a trade mark.¹⁴ Although the import of goods under the customs warehousing suspensive procedure is not deemed to be use of a trade mark, that is not tantamount to authorisation to handle the goods with the sole aim of circumventing the right of the proprietor to control the release of the goods into circulation on the market.

¹² MCFE has not submitted observations in these preliminary-ruling proceedings.

¹³ Referring to the judgments of 12 November 2002, *Arsenal Football Club*, C-206/01, EU:C:2002:651, paragraph 38, and of 25 January 2007, *Adam Opel*, C-48/05, EU:C:2007:55, paragraph 16.

¹⁴ Mitsubishi cites in that connection the judgments of 22 September 2011, *Interflora and Interflora British Unit*, C-323/09, EU:C:2011:604, paragraph 38, and of 16 July 2015, *TOP Logistics and Others*, C-379/14, EU:C:2015:497, paragraph 32.

31. Moreover, those operations undermine the trade mark's functions of guaranteeing the origin of the product and its quality,¹⁵ and also the functions relating to investment¹⁶ and advertising.¹⁷ Mitsubishi submits that it is irrelevant that the product is rebranded with the importer's mark and that consumers recognise that Mitsubishi manufactures the forklift trucks. Further, the latter fact means that the consumer is being given the impression that there is a commercial connection with the proprietor of the original trade mark, from which it follows that Duma and GSI are taking advantage of the manufacturer's marks, thereby affecting its reputation.¹⁸

32. In contrast, Duma proposes that the questions referred for a preliminary ruling should be answered in the negative. Duma bases its contention on the fact that it makes no use of a sign identical or similar to any of the Mitsubishi's European trade marks because the vehicles are imported into the European Union only after those marks have been removed.¹⁹ Duma submits that the case-law of the Court, to the effect that a trade mark proprietor cannot oppose the mere entry into the European Union, under the customs warehousing procedure, of original goods bearing that mark which had not already been put on the market in the EEA, is applicable.²⁰

33. Duma points out that, according to that case-law, the trade mark proprietor is only entitled to oppose the release for free circulation of goods bearing the trade mark or an offering or sale of those goods in the EEA which necessarily entails putting them on the market in that territory.²¹ However, Duma stresses that that right of the proprietor only covers situations in which the goods are introduced onto the market bearing the trade mark.²² Therefore, since there is no use of a sign identical or similar to the Mitsubishi marks, Duma contends that the perception of the average consumer is entirely irrelevant.

34. The German Government also suggests a negative reply to the questions referred for a preliminary ruling. It concludes from the wording of Article 5 of Directive 2008/95 and Article 9 of Regulation No 207/2009 that the exercise of the rights conferred by a trade mark presupposes the 'use' of that trade mark, a term which is interpreted identically in both provisions.²³ A systematic approach leads to the same outcome, for the examples which both provisions provide of *use* subject to the authorisation of the trade mark proprietor mean that the sign must appear, as such, in the course of trade, which would not occur if the mark has been completely removed from the product. However, that does not preclude the trade mark proprietor from relying on the provisions governing unfair competition in order to oppose the import of the rebranded goods.

15 Mitsubishi refers to, inter alia, the judgments of 11 November 1997, *Loendersloot*, C-349/95, EU:C:1997:530, paragraph 24, and of 12 July 2011, *L'Oréal and Others*, C-324/09, EU:C:2011:474, paragraph 81.

16 Judgment of 22 September 2011, *Interflora and Interflora British Unit*, C-323/09, EU:C:2011:604, paragraph 62.

17 Judgment of 23 March 2010, *Google France and Google*, C-236/08 to C-238/08, EU:C:2010:159, paragraph 92.

18 Mitsubishi refers to, inter alia, the judgments of 23 February 1999, *BMW*, C-63/97, EU:C:1999:82, paragraph 51, and of 14 July 2011, *Viking Gas*, C-46/10, EU:C:2011:485, paragraph 37.

19 Duma refers to, inter alia, the judgments of 18 October 2005, *Class International*, C-405/03, EU:C:2005:616, paragraphs 71 and 72, and of 1 December 2011, *Philips and Nokia*, C-446/09 and C-495/09, EU:C:2011:796, paragraph 57.

20 Duma refers to, inter alia, the judgments of 18 October 2005, *Class International*, C-405/03, EU:C:2005:616, paragraph 50, and of 1 December 2011, *Philips and Nokia*, C-446/09 and C-495/09, EU:C:2011:796, paragraph 56.

21 Duma refers to the judgment of 18 October 2005, *Class International*, C-405/03, EU:C:2005:616, paragraphs 71 and 72.

22 See, inter alia, judgments of 18 October 2005, *Class International*, C-405/03, EU:C:2005:616, paragraphs 58 and 60, and of 9 November 2006, *Montex Holdings*, C-281/05, EU:C:2006:709, paragraph 26.

23 The German Government cites the order of 19 February 2009, *UDV North America*, C-62/08, EU:C:2009:111, paragraph 42.

35. The German Government submits that complete debranding does not affect any of the functions of the trade mark.²⁴ Furthermore, in this case there is no infringement of the right to control the first placing on the market of the goods in the EEA, since trade mark law does not protect a trade mark proprietor against the marketing of his goods independently of their branding.²⁵ In that connection, the German Government denies that the judgment in *Portakabin*²⁶ can be relied on to counter those assertions, since that dispute did not concern the complete removal of a trade mark but rather its use by a third party in advertisements.

36. The Commission argues that the questions referred for a preliminary ruling should be answered in the affirmative. The Commission proceeds on the basis that EU law does not recognise international exhaustion, so that, in this case, if there has been no sale in the EEA, the proprietor can oppose the placing on the market in that territory of goods bearing his mark.²⁷ The Commission submits that, whilst the placing of goods under a procedure like the customs warehousing procedure by a third party does not lead to infringement of the exclusive rights of the trade mark proprietor,²⁸ that is not the case where certain commercial transactions are carried out in the EU, such as offering for sale or advertising, or where there are reasons to fear that the goods will be diverted to the EEA.²⁹

37. The Commission contends that Duma and GSI used the customs warehousing procedure to bring the forklift trucks into the territory of the EEA in order to complete the import formalities for those goods, in which case it is irrelevant that the debranding of the goods could be classified as unlawful from the perspective of unfair competition.

IV. Analysis

A. Basic position and introductory observations

38. The referring court seeks to ascertain whether Article 5 of Directive 2008/95 and Article 9 of Regulation No 207/2009 enable Mitsubishi to oppose the removal, by Duma and GSI, of its trade marks from the forklift trucks.

39. Since the lack of consent on the part of the trade mark proprietor and use in the course of trade (two of the conditions for the application of those two provisions) are not in dispute, the question is, essentially, whether there was actual *use* of the trade marks at issue. I shall endeavour to explain why I believe that there was not (section B).

²⁴ The German Government refers to the judgment of 23 March 2010, *Google France and Google*, C-236/08 to C-238/08, EU:C:2010:159, paragraphs 75 and 77 and the case-law cited.

²⁵ In that connection, the German Government refers to the case-law on the repackaging of pharmaceutical products, which draws attention to the requirement that the original trade mark must appear in some way in order for the proprietor to be able to oppose the placing on the market of the repackaged product; the German Government specifically cites the judgment of 23 April 2002, *Boehringer Ingelheim and Others*, C-143/00, EU:C:2002:246, paragraph 7.

²⁶ Judgment of 8 July 2010, C-558/08, EU:C:2010:416, paragraph 86.

²⁷ The Commission refers to, inter alia, the judgments of 16 July 1998, *Silhouette International Schmied*, C-355/96, EU:C:1998:374, paragraph 31, and of 18 October 2005, *Class International*, C-405/03, EU:C:2005:616, paragraph 33.

²⁸ The Commission refers to, inter alia, the judgments of 1 December 2011, *Philips and Nokia*, C-446/09 and C-495/09, EU:C:2011:796, paragraph 56, and of 16 July 2015, *TOP Logistics and Others*, C-379/14, EU:C:2015:497, paragraph 34.

²⁹ The Commission relies on, inter alia, the judgments of 18 October 2005, *Class International*, C-405/03, EU:C:2005:616, paragraph 58, and of 12 July 2011, *L'Oréal and Others*, C-324/09, EU:C:2011:474, paragraph 67.

40. The fact that, after the debranding, Duma and GSI placed their own signs on the forklift trucks while those trucks were under the customs warehousing procedure is simply a legal stratagem to circumvent the trade mark proprietor's right to prohibit the parallel import of the goods, a right to which he is entitled by virtue of the failure to recognise international exhaustion in European Union law. That is Mitsubishi's position, to which the referring court refers. It will therefore be necessary, second, to examine whether there was lawful avoidance or abuse, to the detriment of the rights of the trade mark proprietor (section C).

41. Lastly, it will be helpful to look briefly at the rules on unfair competition, which could assist with a response to conduct like that at issue in these proceedings (section D).

42. Before embarking on my analysis, I must make two observations. The first is that the solution to the problem requires the debate to be steered towards the use (or non-use) of the sign, that is, towards the provisions of Directive 2008/95 and Regulation No 207/2009 which govern the rights of a trade mark proprietor. In my view, it is those provisions and not the customs provisions which provide the answer to the key question of the reference for a preliminary ruling, which specifically concerns Article 5 of Directive 2008/95 and Article 9 of Regulation No 207/2009.

43. The second observation is that, according to the information in the case-file and the information put forward at the hearing, although the forklift trucks placed on the market by Duma came from Mitsubishi and included that company's trade marks, their structure was modified while they were in the customs warehouse. Through those modifications, Duma sought to bring the vehicles into line with the safety and environmental requirements laid down in EU law so that it could later place them on the market in the EEA. The forklift trucks have now been placed on the market under Duma's own trade marks and Duma presents itself to consumers as responsible for the trucks and provides after-sales service in competition with Mitsubishi.

B. Debranding as 'use' of the Mitsubishi trade marks

1. Rights of the trade mark proprietor

44. As the Court has stated, '[t]he first sentence of Article 5(1) of the directive [³⁰] provides that a registered trade mark confers on the proprietor exclusive rights therein. By virtue of Article 5(1)(a), that exclusive right entitles the proprietor to prevent all third parties not having his consent from using in the course of trade any sign which is identical to the trade mark in relation to goods or services which are identical to those for which the trade mark is registered.'³¹

45. The Court has also observed that, 'in Articles 5 and 7 of ... Directive [89/104] the Community legislature laid down the rule of Community exhaustion, that is to say, the rule that the rights conferred by a trade mark do not entitle the proprietor to prohibit use of the mark in relation to goods bearing that mark which have been placed on the market in the EEA by him or with his consent. In adopting those provisions, the [EU] legislature did not leave it open to the Member States to provide in their domestic law for exhaustion of the rights conferred by a trade mark in respect of products placed on the market in non-member countries (judgment of 16 July 1998, *Silhouette International Schmied*, C-355/96, [EU:C:1998:374], paragraph 26).'³²

³⁰ The Court was referring to 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).

³¹ Judgment of 11 September 2007, *Céline*, C-17/06, EU:C:2007:497, paragraph 14.

³² Judgment of 20 November 2001, *Zino Davidoff and Levi Strauss*, C-414/99 to C-416/99, EU:2001:617, paragraph 32.

46. For the purposes of these proceedings, reference should be made to a limitation of the trade mark proprietor's right to control the first placing on the market in the EEA: 'the movement of goods between customs offices and the storage of goods in a warehouse under customs supervision ... cannot, as such, be regarded as the putting of goods on sale in the European Union'.³³

47. It follows from that premiss that 'goods placed under a suspensive customs procedure cannot, merely by the fact of being so placed, infringe intellectual property rights applicable in the European Union'.³⁴ The exclusive rights of a trade mark proprietor can be infringed only if those goods are offered for sale or sold under the trade mark to third parties in the EEA.

2. Interpretation of the term 'use'

48. The Court has held that the following do not constitute adverse use of a trade mark: an oral reference to the competing trade mark, for example between dealers;³⁵ advertisements relating to accessories and spare parts for the repair and maintenance of motor vehicles;³⁶ and shop names, provided that honest practices in industrial or commercial matters are respected.³⁷ However, so far (unless I am mistaken), the Court has not dealt with 'non-use' in circumstances similar to those in the present case.

49. In *Portakabin*,³⁸ the Court examined more or less similar conduct, albeit with a key differentiating factor: the use, for advertising purposes, of a trade mark whose proprietor had not given consent.³⁹ The Court held that a trade mark proprietor is entitled to prohibit an advertiser from advertising, *on the basis of a keyword identical with, or similar to, that mark*, which that advertiser has selected without the consent of the proprietor. The national court's question in that case concerned the use of the protected sign in internet advertising, and the total absence of any questions regarding the removal of the mark is revealing. The judgment does not state that the undertaking which owned the trade mark claimed that the mark had been infringed as a result of the practice of debranding and rebranding.

(a) Literal interpretation

50. From a semantic point of view, the primary meaning of the term *to use* is 'to utilise an article for something'. Using a trade mark to identify a manufacturer's goods therefore constitutes use of that trade mark.

51. Conversely, and quite logically, the removal or withdrawal of a trade mark from a particular product amounts to the opposite of use of that trade mark. Therefore, I agree with the German Government⁴⁰ that the complete removal of a trade mark cannot be regarded as *use* of that mark. It can hardly be said that, by stripping a product of a trade mark which has hitherto distinguished that product from others, the person carrying out that act continues to *use* the deleted sign as an element identifying the origin of the goods.

³³ Judgment of 1 December 2011, *Philips and Nokia*, C-446/09 and C-495/09, EU:C:2011:796), paragraph 55 and the case-law cited.

³⁴ *Ibid.*, paragraph 56.

³⁵ Judgment of 14 May 2002, *Hölterhoff*, C-2/00, EU:C:2002:287, paragraphs 14 to 16.

³⁶ Judgment of 23 February 1999, *BMW*, C-63/97, EU:C:1999:82, paragraphs 37 to 42.

³⁷ Judgment of 11 September 2007, *Céline*, C-17/06, EU:C:2007:497.

³⁸ Judgment of 8 July 2010, C-558/08, EU:C:2010:416, paragraph 86.

³⁹ The trade mark proprietor was seeking to prohibit 'a third party from displaying — on the basis of a keyword which is identical to that mark, and which that third party has chosen for an internet referencing service without the proprietor's consent — an ad for goods or services identical with, or similar to, those in respect of which that mark was registered.'

⁴⁰ Points 19 and 20 of its written observations.

52. Use of a trade mark must take place ‘in the course of trade’, as stipulated by Article 5(1) of Directive 2008/95 and Article 9(1) of Regulation No 207/2009. It is settled case-law that that phrase refers to use in the context of commercial activity with a view to economic advantage and not as a private matter.⁴¹ Therefore, the removal of a trade mark from the goods to which it is affixed would lead to the absence of that trade mark from the market, that is to say from trade, and therefore the mark would not be perceptible to consumers.

53. As Duma points out, there are only two situations in which the lack of a distinctive sign can be deemed to be *use* capable of infringing a trade mark proprietor’s rights: (a) the trade mark is the actual three-dimensional shape of the product, registered after passing an examination of the absolute grounds for refusal in Article 3(1)(b), (c) and (e) of Directive 2008/95;⁴² and (b) where a colour registered as a mark has been used continuously until it has acquired distinctive character.⁴³ Neither of those situations corresponds to that at issue in the present case.

(b) Systematic interpretation

54. From a systematic point of view, regard should be had to Article 5(3) of Directive 2008/95 and Article 7(3) of Regulation No 207/2009. In stipulating the types of use that are prohibited without the trade mark proprietor’s consent, they do not refer to conduct involving the removal of a sign from the goods on which it was previously affixed.

55. The list of the kinds of use which a trade mark proprietor may prohibit, as set out in those two articles, is *not exhaustive*.⁴⁴ However, as the German Government observes, the absence from that list of the removal of a trade mark is natural: according to the logic of both provisions, a sign which has allegedly been used must appear on the market so that it can take effect on the market as a communication tool.⁴⁵

56. Since Duma and GSI have removed the Mitsubishi trade marks from the forklift trucks and replaced them with their own trade marks, it is clear to me that they do not *use* Mitsubishi’s trade marks. It would be a different matter if the signs used in the rebranding (‘Duma’ and ‘GSI’) were in any way similar to the Mitsubishi trade marks, but this has not been claimed by the proprietor of the Mitsubishi trade marks and it does not appear likely either (although that is an issue of fact which it is for the referring court to determine).

57. If, as I believe, that is the case, it is immaterial — from the perspective of trade mark law — that the goods placed on the market by Duma and GSI were more or less similar to those of Mitsubishi. The issue here relates to use of the proprietor’s trade marks, that is the distinctive signs as such, not the greater or lesser similarity of the goods they identify.

(c) Purposive interpretation

58. According to the Court, the essential function which trade marks are intended to perform is enshrined in Article 2 of Directive 2008/95: only signs which are capable of *distinguishing* the goods or services of one undertaking from those of other undertakings can constitute trade marks.⁴⁶

41 Judgment of 16 July 2015, *TOP Logistics and Others*, C-379/14, EU:C:2015:497, paragraph 43.

42 Or its equivalent provision, Article 7(1)(b), (c) and (e) of Regulation No 207/2009. See judgment of 8 April 2003, *Linde and Others*, C-53/01, C-54/01 and C-55/01, EU:C:2003:206, on an application to register a sign composed of the shape of a product for motorised trucks and other mobile works vehicles, particularly forklift trucks.

43 On the conditions under which a colour is eligible for registration as a trade mark, see judgment of 21 October 2004, *KWS Saat v OHIM*, C-447/02 P, EU:C:2004:649, paragraph 79.

44 Judgment of 23 March 2010, *Google France and Google*, C-236/08 to C-238/08, EU:C:2010:159, paragraph 65 and case-law cited.

45 Points 24 to 26 of its written observations.

46 Judgment of 6 March 2014, *Backaldrin Österreich The Kornspitz Company*, C-409/12, EU:C:2014:130, paragraph 21 and the case-law cited.

59. Therefore, a trade mark protects the way in which its proprietor distinguishes his goods: the proprietor is granted a monopoly over the sign, which can be relied on against third parties, in the interests of transparency of information on the market, to identify those goods so that they are associated with the protected sign. Where a trade mark is removed from the goods which it previously distinguished, consumers may be misled or unfair commercial conduct may occur, but, I repeat, that does not mean that improper *use* is made of the trade mark which, until that point, had been affixed to those goods.

60. As I shall explain below, where there is action of that kind, which involves the misleading of consumers or an unfair commercial practice, there are other procedural routes for the appropriate response in law.

(d) Note on comparative law

61. The law of a number of Member States confirms that position. I shall restrict myself to three examples.

62. In the United Kingdom,⁴⁷ the removal of a trade mark from goods to which that mark was affixed does not entitle the proprietor to oppose debranding unless there has not been total debranding, that is to say the previous sign has not been removed in its entirety. United Kingdom case-law accepts that argument, as opposed to recognising that anyone who engages in such conduct breaches the trade mark proprietor's right to oppose use of the mark by a third party.⁴⁸

63. In German law, academic opinion also argues that the removal of the original trade mark does not satisfy the criteria for infringement of a trade mark.⁴⁹ This is based on case-law of the Bundesgerichtshof (Federal Court of Justice, Germany), which, in the same vein as the United Kingdom judgments, held that, *'regardless of whether or not the goods have been altered, when those goods are sold after the manufacturer's trade mark has been removed, the manufacturer cannot bring trade mark proceedings because there has been no use of his registered mark'*.⁵⁰

64. In France, 'the removal or modification of a lawfully affixed trade mark' constitutes an infringement of the rights of the proprietor of that trade mark. That is because the legislature expressly laid down, in Article L 713-2 of the Code de la propriété intellectuelle (Intellectual Property Code), a prohibition of that conduct unless the proprietor has consented.⁵¹ The fact that it was necessary to introduce that rule to supplement the protection against improper *use* of a trade mark means that, otherwise, that rule could not be considered to be part of the rights which Article 5(3) of Directive 2008/95 and Article 9(2) of Regulation No 207/2009 lay down for the benefit of trade mark proprietors.

65. Whilst I am aware that those examples relate to domestic law, in which the principle of exhaustion applies, under no circumstances does it appear that the justification for the position adopted (which can be summarised by the rule 'no use, no infringement') is connected to that principle.

⁴⁷ Stothers, Ch., *Parallel Trade in Europe — Intellectual Property, Competition and regulatory Law*, Hart Publishing, Portland (Oregon), 2007, pp. 84 and 85.

⁴⁸ Court of Appeal (England and Wales) (Civil Division) (United Kingdom), judgment of 21 February 2008, Boehringer Ingelheim KG & Anor v Swingward Ltd, [2008] EWCA Civ 83. Paragraphs 51 to 53 read: 'Total de-branding in general is far from uncommon. ... To say that removing (or not applying) the original supplier's mark to the goods amounts to an infringement would be absurd: traders have ... applied their own trade marks to goods for centuries. There is no harm in it. ... Going back to the legislation, such total de-branding is clearly not an infringement. *There is simply no use of the trade mark in any shape or form.* Total de-branding does not fall within Art. 5 at all. No defence is needed. ... So a trade mark owner has no right to insist that his trade mark stays on the goods for the aftermarket'. No italics in the original.

⁴⁹ See, for example, Hacker, F., 'Teil I Anwendungsbereich — § 2', in Ströbele, P. and Hacker, F., *Markengesetz — Kommentar*, Carl Heymanns, 9th edition, Cologne, 2009, p. 48, point 62.

⁵⁰ Judgment of 12 July 2007, 'CORDARONE' (I ZR 148/04), paragraph 24. Free translation.

⁵¹ Provision inserted into that Code by Law 92-597 of 1 July 1992 (annex to the JORF of 3 July 1992).

(e) *The role of the legislature*

66. The considerable differences between the laws of the Member States regarding the inclusion of debranding and rebranding as cases of improper use of a trade mark are due to the fact that the EU legislature has refrained from taking a decision in that regard. Article 5(3) of Directive 2008/95 and Article 9(2) of Regulation No 207/2009 merely govern *use* of a trade mark but do not go any further: that is why Member States are entitled to adopt their own — positive or negative — rules on *non-use* (or removal) of a distinctive sign, as part of their freedom to lay down legislation.

67. If it were accepted that non-use can, nevertheless, be interpreted as constituting *use* for the purposes of the two articles concerned, that would be tantamount to giving EU law a meaning which, in my view, goes beyond the meaning which should be attributed to it under that legislation and which the Member States did not envisage (as demonstrated by the fact that a number of Member States continue to reject it). Under the guise of a task of *interpretation*, this would, in all likelihood, amount instead to the adoption of a *legislative* solution.

3. *The functions of a trade mark*

68. In the case-law of the Court, at least in the ‘double identity’ situation referred to in Article 5(1)(a) of Directive 2008/95, exercise of the exclusive right must be reserved for those cases where *use of the sign* by a third party adversely affects, or is liable to affect adversely one of the functions of the trade mark, irrespective of whether the function concerned is the essential function of indicating the origin of the product or service covered by the trade mark or one of the other functions of the mark.⁵² The other functions include, in particular, that of guaranteeing the quality of the goods or services in question and those of communication, investment or advertising.⁵³

69. At all events, the Court always refers to use of the protected sign. Since I am arguing that, in this case, the Mitsubishi trade marks have not actually been used, I believe that it is unnecessary to deal with the dispute regarding the possible infringement of the functions of those trade marks, a dispute which only makes sense if those marks have been used.

70. If, however, the definition of use which a trade mark proprietor may prohibit covered conduct of the kind examined here, it would be necessary to ascertain whether the trade mark’s function of indicating the origin of the goods was infringed.⁵⁴ That is a question of fact which the referring court must determine by examining whether, as regards the specific case of forklift trucks used in relation to storage activities and the like, consumers will generally be professionals with a greater degree of discernment.⁵⁵

71. For those purposes, one detail included in the order for reference could be significant: if, as the referring court states (Question 2), despite the rebranding of the product, consumers continued to identify that product as originating from Mitsubishi, it seems likely that there would be no confusion regarding its commercial origin.⁵⁶

⁵² Judgments of 23 March 2010, *Google France and Google*, C-236/08 to C-238/08, EU:C:2010:159, paragraph 79, and of 22 September 2011, *Interflora and Interflora British Unit*, C-323/09, EU:C:2011:604, paragraph 38. Emphasis added.

⁵³ Judgment of 12 July 2011, *L’Oréal and Others*, C-324/09, EU:C:2011:474, paragraph 58.

⁵⁴ That is taken to be the function which ‘serves to identify the goods or services covered by the mark as originating from a particular undertaking, that undertaking being that under the control of which the goods or services are marketed’. Judgment of 6 March 2014, *Backaldrin Österreich The Kornspitz Company*, C-409/12, EU:C:2014:130, paragraph 20 and the case-law cited.

⁵⁵ See, in that connection, order of 6 February 2009, *MPDV Mikrolab v OHIM*, C-17/08 P, not published, EU:C:2009:64, paragraphs 28 and 29.

⁵⁶ Judgment of 25 January 2007, *Adam Opel*, C-48/05, EU:C:2007:55, paragraph 24.

C. Placing of the goods under the customs warehousing procedure

72. I conclude from the above that the removal from certain products of the sign affixed to those products does not constitute use of a trade mark for which the proprietor's consent is required. The affixing of another sign would only entitle the proprietor to prohibit the placing of those products on the market if the rebranding were identical or similar to the original sign, and there is no evidence that that occurred in this instance.

73. Since that is the case, the difficulties relating to the application of customs law are, in fact, far less relevant to these proceedings. In principle, whilst goods are in a customs warehouse, there can be no infringement of trade mark rights protected in the European Union. Moreover, the questions relating to the first placing of goods on the market in the EEA only arise, from the perspective of trade mark law, where those goods bear a distinctive sign which the proprietor claims has been infringed. If, on the other hand, the goods do not bear that sign, the response of the proprietor of the removed sign cannot be based on that right (but perhaps on others).

74. In any event, I shall address, in the alternative, the other claims put forward.

1. The claim of abuse

75. Mitsubishi maintains that the practices of debranding and rebranding infringe its right to control the first placing on the market of the goods bearing its trade mark,⁵⁷ in so far as the sole aim of those practices is to circumvent or neutralise that right. Mitsubishi relies in support of its position on a passage from the judgment in *TOP Logistics and Others*.⁵⁸

76. The argument relating to abuse of law is difficult to prove. In fact, the referring court does not even frame its questions in those terms. However, since the referring court expanded Question 1 (on debranding) to include importing goods into the EEA or placing goods on the market in the EEA following rebranding, I can see no obstacle to examining whether the customs legislation might have been relied on fraudulently in this case.

77. The Court has held that EU law cannot be relied on for abusive or fraudulent ends.⁵⁹ To determine whether that has occurred, it must be apparent:

- ‘from a combination of objective circumstances that, despite formal observance of the conditions laid down by EU rules, the purpose of those rules has not been achieved’,
- ‘that there is an intention to obtain an improper advantage from the EU rules by artificially creating the conditions laid down for obtaining it’.⁶⁰

⁵⁷ Mitsubishi cites the judgments of 1 July 1999, *Sebago and Maison Dubois*, C-173/98, EU:C:1999:347, paragraph 21, and of 20 November 2001, *Zino Davidoff and Levi Strauss*, C-414/99 to C-416/99, EU:2001:617, paragraph 33.

⁵⁸ Judgment of 16 July 2015, *TOP Logistics and Others*, C-379/14, EU:C:2015:497, paragraph 48: ‘any act by a third party preventing the proprietor of a registered trade mark in one or more Member States from exercising his right, recognised in the case-law ... to control the first placing of the goods bearing that mark on the market in the EEA, by its very nature undermines that essential function of the trade mark. The importation of products without the consent of the proprietor of the trade mark concerned and the holding of those products in a tax warehouse before their release for consumption in the European Union has the effect of depriving the proprietor of that mark of the possibility of controlling the conditions of the first placing on the market within the EEA of products bearing its trade mark.’

⁵⁹ Judgment of 17 July 2014, *Torresi*, C-58/13 and C-59/13, EU:C:2014:2088, paragraph 42 and the case-law cited.

⁶⁰ Judgment of 28 January 2015, *ÖBB Personenverkehr*, C-417/13, EU:C:2015:38, paragraph 56 and the case-law cited.

78. Although, by means of debranding and subsequent rebranding, Duma and GSI are able to bring into the EEA forklift trucks originally manufactured by Mitsubishi, they do so by adapting those trucks to bring them into line with the technical requirements laid down in EU law. It is also important to point out that Duma and GSI do not seek to sell forklift trucks bearing the trade mark (and other signs) of that manufacturer but rather their own marks.

79. Accordingly, Duma and GSI are not in breach of the trade mark proprietor's rights, which take precedence when the goods are imported still bearing that mark. That is clear from Article 5(3)(c) of Directive 2008/95 ('importing or exporting the goods *under the sign*').⁶¹

80. The reference to the judgment in *TOP Logistics and Others*⁶² does not, in truth, help Mitsubishi. That judgment refers to the trade mark proprietor's right to control the first placing on the market in the EEA of goods *under the sign*. In that case, the goods were released for free circulation and were then placed under the duty suspension arrangement, which did not occur in this case. Furthermore, the operations carried out on the forklift trucks by Duma and GSI could fall within the scope of Article 531 of the Regulation implementing the Customs Code, which allows, in particular, the usual forms of handling consisting of the 'affixing or removal of marks'.⁶³

81. In short, I do not believe that there has been an abuse of law or an abuse of rights by the defendants because:

- While the goods are under the customs warehousing procedure, the forms of handling to which they are subject have a lawful aim (bringing them into line with technical requirements) and the goods are not yet in the EEA for legal purposes.
- The proprietor of the trade marks concerned cannot oppose the release for free circulation of the goods for consumption in the EEA when its trade marks, as such, are not visible to consumers.
- In those circumstances, the proprietor's situation is, instead, comparable to the situation which arises in the case of a direct import of goods following debranding and rebranding outside the EEA.

2. Use in the course of trade of goods in a customs warehouse

82. Although the Commission does not consider that there has been abuse either, it submits that, if there were reasons to believe that the goods might be diverted to consumers in the EEA, it would be possible to refer to use in the course of trade and, therefore, to an infringement of the trade mark, despite the fact that the goods are under the customs warehousing procedure.⁶⁴ The Commission relies on a number of judgments of the Court in support of that argument.

⁶¹ Italics added.

⁶² Judgment of 16 July 2015, *TOP Logistics and Others*, C-379/14, EU:C:2015:497.

⁶³ I do not believe it is necessary to develop this point further because the dispute does not encompass the effects of Article 531 of the Regulation implementing the Customs Code.

⁶⁴ The Commission cites the judgments of 18 October 2005, *Class International*, C-405/03, EU:C:2005:616, paragraph 58; of 12 July 2011, *L'Oréal and Others*, C-324/09, EU:C:2011:474, paragraph 67; and of 1 December 2011, *Philips and Nokia*, C-446/09 and C-495/09, EU:C:2011:796, paragraphs 57 to 62.

83. The three judgments cited by the Commission concerned pirated goods (copies or imitations), counterfeit goods (the trade mark was included on goods not manufactured by the trade mark proprietor)⁶⁵ and original goods bearing the manufacturer's trade mark which had come from third countries and were placed under a suspensive arrangement. In all those circumstances, the questions asked whether the trade mark proprietor was entitled to oppose the sale (or offering for sale) of the goods while they were under the suspensive arrangement, in the light of the mere risk that they would be placed on the market in the EEA.⁶⁶

84. In the instant case, first, it is apparent from the information set out by the referring court that the goods had not been sold or offered for sale under the manufacturer's (Mitsubishi) sign in the EEA while they were under the customs warehousing procedure. In that regard, moreover, it is for the trade mark proprietor to provide proof of the facts which would give grounds for exercising the right of prohibition (Article 5 of Directive 2008/95 and Article 9 of Regulation No 207/2009), by proving either release for free circulation or an offering or sale of the non-Community goods bearing his mark.⁶⁷

85. Accordingly, unless that kind of proof is provided, goods placed under a customs warehousing procedure cannot, merely by the fact of being so placed, infringe intellectual property rights.⁶⁸ While the goods are placed under that procedure, they may also undergo the usual forms of handling recognised by statute as being lawful by virtue of Article 141 of the Customs Code and Article 531 of its implementing regulation.

86. The risk of diversion of the goods to European Union consumers was the result in those three cases of the fact that where the goods were offered or resold to customers they could have been brought into the EEA *under the sign* of the original manufacturer, which would have caused a genuine infringement of the trade mark. In contrast, that situation did not arise in this case: after the goods underwent forms of handling (inter alia, debranding and rebranding) while they were under the suspensive arrangement, they would not conflict on the market with other identical goods bearing the same sign.

87. It was also possible that Duma would export to third countries the forklift trucks which had undergone forms of handling,⁶⁹ which would not, in any event, affect the proprietor's trade mark rights as long as the goods had not previously been released for free circulation. In those circumstances, allowing the seizure of the goods would have amounted to a presumption of infringement of the trade marks, which is incompatible with the case-law set out above.

88. The Commission focuses solely on the placing of the goods on the market,⁷⁰ without taking into account whether or not the mark is affixed to those goods when they enter the EEA. To my mind, that is a relevant factor. The legal fiction that goods in a customs warehouse are not on the market in the EEA places those goods on the same footing as goods directly imported from third countries which have also undergone debranding and rebranding: in those circumstances, the trade mark proprietor cannot have recourse to trade mark proceedings in order to seize those goods, and that must be applied to the instant case.

65 See paragraphs 31, 32, 41, 42 and 51 of the judgment of 1 December 2011, *Philips and Nokia*, C-446/09 and C-495/09, EU:C:2011:796.

66 Paragraphs 13 to 16 of the judgment of 18 October 2005, *Class International*, C-405/03, EU:C:2005:616, and paragraphs 26 to 32 of the judgment of 12 July 2011, *L'Oréal and Others*, C-324/09, EU:C:2011:474.

67 Judgment of 18 October 2005, *Class International*, C-405/03; EU:C:2005:616, paragraph 75.

68 Judgment of 1 December 2011, *Philips and Nokia*, C-446/09 and C-495/09, EU:C:2011:796, paragraph 56 and the case-law cited.

69 At the hearing, Duma confirmed that it exports forklift trucks under its mark to Morocco and Russia, among other countries.

70 Point 27 of its written observations.

89. In other words, if a trade mark proprietor cannot oppose the import into the EEA of his own goods after those goods have been debranded and rebranded by a third party without his consent, because there is no use of the registered sign, then nor should he be able to do so where his original goods are subject to the same form of handling in a customs warehouse, since, by definition, those goods are non-Community goods.

D. Protection under the legislation on unfair competition

90. Together with misleading and comparative advertising,⁷¹ EU law has partially harmonised the law on unfair competition as regards business-to-consumer commercial practices.⁷²

91. In contrast, there is currently no specific legislation at EU level governing unfair commercial practices between traders. Such practices have to be combated under the national legislation applicable in each Member State. It is not possible to argue, as the Commission did at the hearing, that in the absence of harmonisation of the provisions on unfair competition between undertakings in the EU, the rights of trade mark proprietors should be strengthened judicially. The gradual creation of the internal market necessitates acceptance that, where there are no measures harmonising national laws, differences between those laws are legitimate until such time as that situation is rectified by legislative action on the part of the EU.

92. Further, it is clear from recital 13 in the preamble to Directive 2008/95 that the Member States are bound by the Paris Convention, Article 10 *bis* of which requires them to ensure effective protection against unfair competition.⁷³ It is therefore reasonable to expect that, notwithstanding the differences, all the Member States have legislative provisions which pursue that aim.

93. There are Member States⁷⁴ which have extended the application of the provisions of the Directive on unfair commercial practices to relationships between traders. Indeed, pursuant to that directive, the removal of a trade mark from a product and the replacement of that mark with another could probably, depending on the circumstances, be caught by the general clause in Article 5(1) (as an ‘unfair commercial practice’) or by Article 5(4)(a) (as a ‘misleading practice’).

94. In other legal systems, like the German, academic opinion tends to regard the debranding and rebranding of goods as conduct in principle liable to impede competition (*Wettbewerbsbehinderung*), in particular as a barrier to sales (*Absatzbehinderung*) and advertising (*Werbebehinderung*).⁷⁵

⁷¹ Directive 2006/114/EC of the European Parliament and of the Council of 12 December 2006 concerning misleading and comparative advertising (OJ 2006 L 376, p. 21). See, in particular, in relation to trade marks, Article 4.

⁷² Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council (‘Unfair Commercial Practices Directive’) (OJ 2005 L 149, p. 22).

⁷³ See point 14 of this Opinion.

⁷⁴ In Spain, Ley 29/2009, de 30 de diciembre, por la que se modifica el régimen legal de la competencia desleal y de la publicidad para la mejora de la protección de los consumidores y usuarios (Law 29/2009 of 30 December amending the legal provisions on unfair competition and advertising to improve the protection of consumers and users; BOE No 315 of 31 December 2009, p. 112039) lays down ‘a single body of legal provisions on the unfairness of misleading and aggressive acts, with the same level of punishment being required regardless of whether those acts are targeted at consumers or businesses’.

⁷⁵ See, Fezer, K.-H., *Markenrecht*, 4th edition, C.H. Beck, Munich, 2009, p. 249, points 87 and 88, and Hacker, F., in Ströbele, P. and Hacker, F., *Markengesetz — Kommentar*, 9th edition, Carl Heymanns, Cologne, 2009, p. 48, point 62. Both provide citations of the case-law of German courts.

95. In including those references, I am not seeking to prejudge the options which the referring court may find in its national law for the purposes of defining the conduct at issue. I am simply broadening, beyond the scope of trade mark law, the perspective from which to approach the procedural response to conduct which may be unlawful.⁷⁶

V. Conclusion

96. In the light of the foregoing considerations, I propose that the Court reply as follows to the questions referred by the Hof van beroep Brussel (Court of appeal, Brussels, Belgium):

For the purposes of Article 5 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 and Article 9 of Council Regulation (EC) No 207/2009 of 26 February 2009 on the [EU] trade mark, the removal by a third party, without the trade mark proprietor's consent, of signs affixed to goods does not constitute use of a trade mark where:

- those goods have not previously been placed on the market in the European Economic Area because they are stored in a customs warehouse where they have undergone alterations to bring them into line with EU technical standards; and
- the signs were removed with the aim of importing those goods into the European Economic Area or placing those goods on the market in the European Economic Area bearing a (new) trade mark which differs from the original mark.

⁷⁶ Although the referring court has not asked a question on the subject, Mitsubishi states that its action against Duma and GSI is also based, in the alternative, on the Belgian provisions on unfair competition.