# ECJ Rules on repackaging of trade-marked parallel drug imports

- Guidance from the ECJ on parallel imports
- Goods imported from one part of the EU to another
- When can the importer repackage the goods and re-affix a trade mark to comply with the local market?

## What's it about?

Ferring markets a medicinal product under the KLYX trade mark in Norway and Denmark. The product is sold in identical packaging, namely a single bottle, or a packet that contains 10 individual bottles. Orifarm purchased KLYX in Norway in packets of 10, split the packet into individual bottles, and repackaged them in new packaging to which it affixed the KLYX trade mark, and then sold them in Denmark.

Ferring sued Orifarm for trade mark infringement in Denmark, claiming it was entitled to stop the sale of the imported products as the repackaging was not necessary for the marketing of the product in Denmark. Orifarm claimed that it was entitled to repackage the goods in order to gain access to the Danish market, namely the market for the sale of KLYX in single bottles.

The legal provisions relating to parallel imports are set out in Article 7 of the Trade Mark Directive 2008/95/EC:

Article 7(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 European Union under that trade mark by the proprietor or with his consent.*

Article 7(2)

*Article 7(1) shall not apply where there exists legitimate reasons for the proprietor to oppose the further commercialisation of the goods, especially where the condition of the goods is changed or impaired after they have been put on the market.*

The Danish Court referred to the ECJ the following questions on the interpretation of Article 7(2):

1) Can a trade mark owner lawfully object to the marketing of an imported product, where the importer has repackaged the product and reaffixed the trade mark, in a situation where the product is already marketed in the importing country in the same packet sizes?

2) Will the answer to this question be different if the importer has purchased packets of 10 in the country of export and repackaged them into packets containing a single item?

## Why does it matter?

The established repackaging cases state that a registered trade mark owner cannot object to the repackaging of parallel imports if the repackaging is necessary to allow the importer to market the product, for example, in terms of product sizes or standard packaging sizes in a particular country. The fact that the product is already sold in different packaging sizes in the importing state, is not enough to find that repackaging was unnecessary. This could still lead to the artificial portioning of the market.

Orifarm tried to argue that it would not be able to enter the market for single products unless it was free to repackage the product into single items. The ECJ held that no evidence or information had been submitted during the case to show that this was in fact the case, but this was something that would need to be decided by the national court.

Accordingly, the ECJ held that in order to be able to sell the repackaged product in these circumstances, the importer must be able to demonstrate that without the repackaging he would only have access to a limited part of the market. This will be a question of fact for the national court to decide. If the importer is unable to demonstrate this, a trade mark owner can object to the marketing of a product by a parallel importer, who repackages the product and re-affixes the trade mark, where that product could be sold in the same packaging to the packaging used in the country of export.

## Now what?

This case gives further guidance as to the limits on the activities of parallel imports. Parallel importers are becoming more sophisticated in their attempts to get round the limits on their activities, and this case provides further limits on their activities.

*Ferring Leagemidler A/S v Orifarm A/S (C-297/15)*

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