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IP-REPORT
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EU: Parallel Imports (II) – Applicability of CJEU's *Boehringer Ingelheim* rules on medical products.

In a decision of 6 October 2016 (case no. I ZR 165/11 - *Debrisoft*), the German Federal Supreme Court referred the question to the Court of Justice of the European Union (CJEU) (case no. C-642/16) whether the rules set out by the CJEU in the landmark *Boehringer Ingelheim* decision (of 26 April 2007, case no. C-348/04) with respect to medicinal (pharmaceutical) products shall apply in their entirely also to medical (non-pharmaceutical) products.

In der underlying case, the German producer of medical and sanitary products Lohmann & Rauscher produces and sells debridement pads under its trademark "Debrisoft" some of which are exported to Austria. In the course of its parallel import business, Junek Europ-Vertrieb GmbH re-imported "Debrisoft" to Germany, after having placed a sticker on the original "Debrisoft" container which indicated the fact of the import and the importer's name and address. The sticker was placed discretely and clearly on an otherwise blank part of the box.

Junek did not inform Lohmann & Rauscher in advance of the re-import and did not provide Lohmann & Rauscher with a sample of the modified container.

Lohmann & Rauscher sued Junek in the District Court of Düsseldorf which stated that the re-import by Junek of "Debrisoft" without informing Lohmann & Rauscher in advance infringed the trademark rights of Lohmann & Rauscher. The Court of Appeal of Düsseldorf confirmed the judgement. Upon further appeal to the Federal Supreme Court, the Federal Supreme Court wondered whether the importer of a non-pharmaceutical medical product had to fulfill all the five requirements of the *Boehringer Ingelheim* decision of the CJEU to be allowed to re-import the product without the trademark proprietor's consent into another EU Member State in which the trademark was protected as well.

In the *Boehringer Ingelheim* decision the CJEU had ruled that the trademark proprietor legitimately oppose further commercialisation of a pharmaceutical product imported from another EU Member State in its original internal and external packaging with an additional external label applied by the importer, unless

- it is established that reliance on trademark rights by the proprietor in order to oppose the marketing of the overstickered product under that trade mark would contribute to the artificial partitioning of the markets between Member States;
- it is shown that the new label cannot affect the original condition of the product inside the packaging;
- the packaging clearly states who overstickered the product and the name of the manufacturer;
- the presentation of the overstickered product is not such as to be liable to damage the reputation of the trade mark and of its proprietor; thus, the label must not be defective, of poor quality, or untidy; and

– the importer gives notice to the trade mark proprietor before the overstickered product is put on sale, and, on demand, supplies him with a specimen of that product

(emphasis added).

The CJEU had already ruled that these conditions also apply to imports of other products such as beverages (dec. of 11 November 1997, case no. C-349/95 - *Loendersloot/Ballantine),* and the German Federal Supreme Court had applied these conditions to imports of medical products (dec. of 12 May 2010, case no. I ZR 185/07 - *One Touch Ultra)* and food products (dec. of 22 November 2012, case no. I ZR 72/11 - *Barilla).* However, they have been applied in a modified way as

> *"in formulating those conditions, account was taken of the legitimate interests of the trademark proprietor with regard to the particular nature of pharmaceutical products."*

(CJEU, dec. of 11 November 1997, case no. C-349/95 - *Loendersloot/Ballantine)*

so that, as e.g. in the case of beverages, the interests of the trademark proprietor, and in particular his need to combat counterfeiting, may be given sufficient weight if the imported gives him prior notice that the modified products are to be put on sale, however, without supplying him with a specimen of that product.

In the same way, the German Federal Supreme Court had waived the condition of a prior supply of a product sample in the case of an import of food products (dec. of 22 November 2012, case no. I ZR 72/11 - *Barilla).*

The Court of Appeal of Düsseldorf had ruled that the additional sticker endangered the trademark's function to guarantee the origin of the product, as the consumers could doubt that the re-imported "Debrisoft" product had been sold with the consent of Lohmann & Rauscher. The reason was that the bar code on the sticker did not function as a mere indication of the purchase price that would be attributed only to the retailer. Instead, the sticker contained additional information regarding the importer and the number that serves the organization of the sale and certain accounting purposes. This could suggest a modification without the producer's consent. Having in mind that also non-pharmaceutical medical products have to undergo an admission procedure the Court of Appeal of Düsseldorf held that such products would be "sensitive" products in the view of the consumers for which the guarantee of origin has a particular importance. The less strict conditions established for beverages and food products should therefore not apply to non-pharmaceutical medical products.

The German Federal Supreme Court is sharing this view and further points out that not only medicinal but also medical products are directly related to the consumer's health. Therefore, the court would like to make the import of non-pharmaceutical medical products depend not only on a notice given to the trademark proprietor before the modified product is put on sale, but also, on demand, on the supply of the trademark proprietor with a specimen of that product. The court further tends not to distinguish between the various categories of non-pharmaceutical medical products but to apply the full conditions to all of them – like the CJEU applies it to all kinds of pharmaceuticals. The court asked the CJEU for guidance and referred the following questions to the CJEU:

Is Article 13(2) of Regulation 207/2009 to be interpreted as meaning that a trademark proprietor can oppose the further marketing of medical products imported from another Member State in their original inner and outer packaging which are provided by the importer with a sticker on the outside, unless

– it is established that reliance on trademark rights by the proprietor in order to oppose the marketing of the product provided with the new sticker under that trade mark would contribute to the artificial partitioning of the markets between Member States;

– it is shown that the new label cannot affect the original condition of the product inside the packaging;

– the packaging clearly states who applied the new sticker to the product and the name of the manufacturer;

- the presentation of the product provided with the new sticker is not such as to be liable to damage the reputation of the trade mark and of its proprietor; thus, the label must not be defective, of poor quality, or untidy; and
- the importer gives notice to the trade mark proprietor before the product provided with the new sticker is put on sale, and, on demand, supplies him with a specimen of that product?

We will report on the decision of the CJEU once it has been published.

If you have any questions or if you require more detailed information, please do not hesitate to contact us.

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