CJEU Takes Red Bull By The Horns

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The Court of Justice of the European Union ("CJEU") has handed down its Judgment in Case C-119/10 *Frisdranken Industrie Winters BV v Red Bull GmbH*. In doing so, the CJEU has held that the act of simply filling packaging which bears a potentially infringing sign does not constitute use of that sign within the meaning of Article 5(1)(b) of the Trade Mark Directive.

This case concerns a company called Smart Drinks Ltd, incorporated in the British Virgin Islands, which produced a competing product to the Red Bull energy drink.

Smart Drinks enlisted the services of Frisdranken Industrie Winters BV ("FIW") to fill and seal cans with this competing energy drink. Smart Drinks provided FIW with the empty cans and the concentrate required to make up the drink. FIW made up the product in accordance with Smart Drinks' instructions, sealed the cans and placed them at the disposal of Smart Drinks. Smart Drinks then exported these products to countries outside of Benelux.

The cans for these drinks bore the signs "PITTBULL", "BULLFIGHTER", "RED HORN" and "LIVE WIRE".

Red Bull GmbH ("Red Bull") sells drinks under the world famous RED BULL trade mark and has numerous registrations worldwide for such mark.

Red Bull issued proceedings in the Netherlands against FIW for an order restraining FIW from using signs similar to Red Bull's trade marks. The first instance court held that filling the cans constituted use of the signs and that the sign "BULLFIGHTER" was sufficiently similar to constitute an infringement.

The parties appealed and cross-appealed this decision to the Regional Court of Appeal.

The appeal court upheld the decision of the lower court with respect to "use". It held that the act of putting the drink product into the cans bearing the offending signs to create the end product constituted affixing those signs to the product, even if FIW was not responsible for affixing the signs to the cans in the first place. The appeal court further held that the signs BULLFIGHTER, PITTBULL and LIVE were all similar and were therefore infringing.

FIW appealed this decision to the Supreme Court of the Netherlands. The Supreme Court stayed the proceedings and referred the following questions to the Court of Justice:

"1. (a) Is the mere "filling" of packaging which bears a sign...to be regarded as using that sign in the course of trade within the meaning of Article 5 of Directive 89/104, even if that filling takes place as a service provided to and on the instructions of another person, for the purposes of distinguishing that person's goods?

(b) Does it make any difference to the answer to question 1(a) if there is an infringement for the purposes of Article 5(1)(a) or (b)?

2. If the answer to question 1(a) is in the affirmative, can using the sign then also be prohibited in the Benelux on the basis of Article 5 of Directive 89/104 if the goods bearing the sign are destined exclusively for export to countries outside (a) the Benelux area or (b) the European Union, and they cannot - except in the undertaking where the filling took place - be seen therein by the public?

3. If the answer to question 2(a) or (b) is in the affirmative, what criterion must be used when answering the question whether there has been trade mark infringement: should the criterion be the perception of an average consumer who is reasonably well-informed and reasonably observant and circumspect in the Benelux or alternatively in the European Union - who then in the given

circumstances can only be determined in a fictional or abstract way - or must a different criterion be used in this case, for example, the perception of the consumer in the country to which the goods are exported?"

The CJEU held that:

"Although it is clear...that a service provider such as [FIW] operates in the course of trade when it fills such cans under an order from another person, it does not follow, however, therefrom that the service provider itself "uses" those signs within the meaning of Article 5 of Directive 89/104."

The CJEU reached this decision by analogy to the *Google France* and *Google* cases (C-236/08 to C-238/08) where it had already been held that *"the fact of creating the technical conditions necessary for the use of a sign and being paid for that service does not mean that the party offering the service itself uses that sign"*. Here, FIW's act of filling and sealing the cans in accordance with a third party's instructions merely constituted executing *"a technical part of the production process of the final product without having any interest in the external presentation of these cans or the signs thereon"*. Such an act did not, in the CJEU's view, constitute "use" of the signs within the meaning of Article 5.

In any event, the CJEU held that FIW did not use those signs for goods or services which are identical with, or similar to, those for which the Red Bull marks were registered within the meaning of Article 5. FIW's service of filling the cans did not have any similarity with the product for which Red Bull's trade marks were registered. Following the Advocate General's Opinion, the CJEU observed that *"the filling of cans, bearing signs similar to trade marks, is not comparable to a service aimed at promoting the marketing of goods bearing those signs and does not imply, inter alia, the creation of a link between the signs and the filling service"*.

The Court therefore held that the conditions set out in Article 5(1)(b) were not met and therefore any discussion of Article 5(3) was irrelevant.

There was no need for the CJEU to address the second and third questions.

This decision provides some interesting guidance on the meaning of "use" under Article 5 of the Trade Marks Directive. While this may provide some comfort to companies involved in the manufacturing process of products it is important to note the extent to which FIW acted under the instructions of Smart Drinks Ltd. The fact that the cans were delivered to FIW ready printed and that FIW did not subsequently export or distribute the end product would appear to be significant. Any party providing more than "a technical part of the production process" should still be wary of infringement.

The CJEU's Judgment on Case C-119/10 *Frisdranken Industrie Winter BV v Red Bull GmbH* can be found **here**

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