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IP-REPORT
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EU: Parallel Imports (I) – Repackaging of medicinal products despite sale in same size in export and import country.

In a decision of 10 November 2016 (C-297/15 – *Ferring v Orifarm*), the Court of Justice of the European Union ruled that the proprietor of a trademark is not entitled to prohibit the import of a re-packaged pharmaceutical product if

– the product can be distributed in the import country in the same packaging as in the export country, and

– the importer did not prove that he can sell the imported product only in a limited part of the import country if the product is not re-packaged.

In der underlying case, Ferring sells a medicinal product under its trademark "Klyx" in Denmark, Finland, Sweden and Norway. In all those States, "Klyx" is sold in identical packaging, namely containers of 120 ml or 240 ml, as well as in packets containing one or ten such containers.

In the course of its parallel import business, Orifarm purchased "Klyx" in Norway in packets of ten containers and sells that product on the Danish market, after having repackaged it in new packets of one container, upon which the mark "Klyx" is reaffixed.

Ferring sued Orifarm in the Maritime and Commercial Court of Denmark which observed that the trademark proprietor cannot oppose the repackaging if that opposition contributes to the partitioning of the markets. That would be the case where the opposition prevents a repackaging which is necessary to market the medicinal product in the importing state. In those circumstances, the Court questions whether the contested repackaging can be considered 'necessary', given that "Klyx" is available in packets of one or ten containers in all the states party to the EEA Agreement in which the medicinal product is placed on the market, including in Denmark. The Court referred the question to the CJEU.

Referring to previous decisions, the CJEU pointed out (see paragraph 21) that a trademark owner's opposition to repackaging contributes to the artificial partitioning of the markets between the States party to the EEA Agreement where the repackaging is necessary to enable the product imported in parallel to be marketed in the importing State (insofar referring to its judgment of 26 April 2007, case C-348/04 - *Boehringer Ingelheim,* paragraph 18) and that insofar

> "a trademark owner cannot oppose the repackaging of the product in new external packaging, when the packet size used by that trademark owner in the export country cannot be marketed in the importing country because of, in particular,
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> – a rule authorising packaging only of a certain size or
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> – a national practice to the same effect,
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> – sickness insurance rules making the reimbursement of medical expenses depend on the size of the packaging, or

– well-established medical prescription practices based, inter alia, on standard sizes recommended by professional groups and sickness insurance institutions

(insofar referring to its judgment of 11 July 1996, cases C 427/93, C 429/93 and C 436/93 - *Bristol-Myers Squibb and Others,* paragraph 53)".

It was apparent that, because of the marketing of "Klyx" in identical packaging in the export country (Norway) and the import country (Denmark), the specific, effective access to the Danish market for "Klyx" was not hindered, unless it was shown that one of the four situations mentioned above applied. As this is unlikely given the marketing of "Klyx" in identical packaging in Denmark, it can be expected that the Maritime and Commercial Court of Denmark will decide that Ferring could legitimately oppose the repackaging of "Klyx" by Orifarm.

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

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