

**EXHAUSTION OF RIGHTS**  
**EUROPE**

**Patents and trademarks**

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**Exhaustion of rights**

**A quest for a fair balance between**

n industrial property rights owners interests

and

n public interests

## Source of the problem

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### Distinction between

- n ownership of the product
- n ownership of the industrial property right

## Possible solutions

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- n implied licence
- n exhaustion of rights

## Three levels of exhaustion

- n National
- n Regional (community)
- n International

## Exhaustion in national context

- n Scope of the patent
  - *Prospekthalter case - BGH - 26 Sept. 1996*
  - *Patented research tools*

## Exhaustion in national context

### n Reparation vs reconstruction

- *Sandvik v. EJ* - Fed. Cir. - Aug.6, 1997
- *Hewlett Packard v. Repeat-O-Type* - Fed. Cir. - Aug.12, 1997

## Exhaustion in national context

### n Distribution agreements

## Regional (community) exhaustion Patents

- n Consent of patent owner
- n Compulsory licence
  - *Pharmon v. Hoechst* - ECJ - 1985
- n Lack of patent protection in exporting State
  - *Merck v. Primecrown* - ECJ - 5 December 1996

## Regional (Community) exhaustion Trademarks

- n Article 7 Trademark Directive - 21 December 1998
  - 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.*

## Regional (Community) exhaustion Trademarks

### n Repackaging

- *Bristol-Myers Squibb v. Paranova*  
*ECJ - 11 July 1996*
- *Loendersloot v. Ballantine* - *ECJ - 11 Nov. 1997*

## Regional (Community) exhaustion Trademarks

### n Advertising

- *Dior v. Evora* - *ECJ - 4 November 1997*

### n Voluntary assignments

- *Ideal Standard* - *ECJ - 22 June 1994*

## International exhaustion Belgium

- n Trademarks : international exhaustion ?
  - *Sebago & Dubois v. GB Unic*  
Brussels Court of Appeal - 30 April 1998  
reference to ECJ

## International exhaustion France

- n Patents : no international exhaustion
  - e.g. *El Dupont de Nemours v. BV Industrie*  
TGI Paris 5 March 1997 - PIBD 1997. 635 III.  
357
- n Trademarks : no international exhaustion
  - *Carrefour v. Ocean Pacific*  
Cour de Cassation - 2 December 1997

## International exhaustion Germany

### n Trademarks

– *Levis - BGH - 14 December 1995*

## International exhaustion United Kingdom

### n Patents

– *Sales abroad by patentee : international exhaustion*

*Betts v. Vilmot (1871) LR 6 ch. 239*

*Deltamethrin, High court, 9 October 1995*

– *Sales abroad by licensee : no international exhaustion*

*SA des Glaces v. Tilghmann (1883) 25 Ch. D.1, C.A.*

– *Roussel Uclaf v. Hockley [1996] 14 R.P.C. 41*



## International exhaustion Switzerland

### n Trademarks : international exhaustion

– *Chanel v. EPA*

*Tribunal Fédéral 23 October 1996*

## International exhaustion: FTEA

### n Trademarks

– *Mag Instrument Inc. v. California Trading  
Company Norway*

*EFTA Court - 3 December 1997*

## International exhaustion European Union

### n Trademarks

- *Silhouette International v. Hartlauer*  
ECJ -AG Jacobs opinion 28 January 1998