

Preliminary injunctions: a sharp tool for rights owners

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How can an owner's right be effectively and rapidly protected against infringement of its IP rights? Preliminary court proceedings in Germany are a sharp tool in disputes about infringement of trade marks, designs, patents, copyrights or acts of unfair competition. German courts are prepared to

grant a preliminary injunction *ex parte* if the petitioner shows evidence as to ownership and validity of its IP rights, enough likelihood of infringement and urgency of the matter. *Ex parte* proceedings allow for injunctions to be obtained very quickly, and are possible even on the day of the application.

Enforcing registered and non-registered IP rights

Enforcing IP rights in Germany has a long-standing tradition, particularly by way of proceedings for a preliminary injunction. The interim enforcement of registered rights is particularly popular among rights owners. However, the case should not be too complicated, particularly in patent infringement matters (patentability and infringement must be beyond doubt).

German courts may also grant preliminary injunctions on the grounds of unregistered rights if specific requirements are fulfilled. This applies to trade marks that accrue protection without registration through the use of a sign in the course of trade insofar as the sign has acquired a secondary meaning as a trade mark among the relevant public. Furthermore, this applies to the unregistered Community design. Lastly, a preliminary injunction may be rendered on the grounds of the supplementary protection under German unfair competition law. This has been welcomed by rights owners in Germany, because this legal tool is offering a chance to stop the imitation of designs, packaging and slogans immediately.

Court orders in preliminary injunctions

The petitioner may claim for a cease-and-desist order as well as for the adjudicated information and a preliminary seizure order. This preliminary enforcement, however, renders petitioners potentially liable for any damage suffered by the defendant as a consequence of the preliminary enforcement, if the case is later decided against the petitioner in proceedings on the merits. For this reason, the petitioner in some cases is ordered to provide a bond (cash or bank guarantee) to cover this risk before the preliminary order can be enforced. This bond, the amount of which will be determined by the court, depends on the value in litigation.

Specific procedural principles and timing

In Germany, many contentious matters are decided in preliminary proceedings, which, as a rule, consist only of two instances and cannot be appealed to the Federal Supreme Court. The request may be filed with the *forum delicti* court, which practically can be any district court in Germany competent for IP matters. Additionally, a request for a preliminary injunction before an infringement court is admissible only within a certain period of time because first knowledge of all relevant circumstances – due to its prompt enforcement – constitutes an effective measure to put economic pressure on the other party once the injunction has been granted. The request must be filed with the court during the so-called urgency period of one month from actual knowledge of infringement; some courts apply a slightly longer urgency period.

Preliminary injunctions are summary proceedings, that is, there is no formal taking of evidence. The petitioner may file declarations (affidavits) as evidence in the specific procedure. Additionally, the court allows present means of proof (for example, witnesses who are present at the hearing, and party experts) as evidence, but will not summon witnesses.

Once the court's order has been issued *ex parte*, the petitioner must serve the injunction to the respondent within one month in order not to lose the injunctive rights. The

preliminary injunction does not have permanent character, so the petitioner is called to file for a main action if the defendant does not accept the interim injunction as final. In consequence, the strict application of the statute of limitation may lead even to a prompt conclusion of litigation in most of the cases.

From the alleged infringer's point of view, it can file in advance a so-called protective letter (*Schutzschrift*) with the German courts to make sure that its defence arguments are heard before the application is granted *ex parte*. The protective letter should be forwarded to all courts that may be addressed by the petitioner. In most cases, the court will schedule an oral hearing and refrain from issuing a preliminary injunction *ex parte*. However, there is no obligation for the court to do so.

Once the court has issued a preliminary injunction, the alleged infringer is obliged to comply with the injunction, but has the opportunity to file an opposition to achieve the revocation of the preliminary injunction. In general, German infringement courts will schedule an oral hearing quickly (within two weeks to one month). The court decides upon hearing by judgment, sometimes even during the hearing.

The petitioner may execute the injunction in case of violation. This is done by filing a request for penalty or other sanctions with the court.

How does a preliminary injunction compare to a main action?

The concept of enforcing IP rights in Germany by way of proceedings for a preliminary injunction is, for obvious reasons, a sharp tool and is underpinned by numerous decisions of the German courts of first instance and appeals courts. How, then, does a preliminary injunction compare to a main action? The fundamental, conceptual difference between both proceedings is that main proceedings provide for a conclusive and final resolution of the matter (including information on account of profits and damages), whereas, in contrast, the preliminary injunction focusses on a preliminary and selected regulation so that infringements are stopped immediately. In broad terms, a preliminary injunction does not require extensive evidence (such as hearing of witness), while complex and difficult cases should be brought to court by way of a main action. However, main proceedings are by far a more time-consuming and costly affair than applying for an *ex parte* preliminary injunction, which can be granted on the same day or at least within a few days.