

IP Report

»THE BARDEHLE PAGENBERG IP REPORT«

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1. Two Former EPO Officials and CEIPI Director join BARDEHLE PAGENBERG

Dr. Rudolf Teschemacher, Dr. Reinhard Spangenberg and Dr. Dieter Stauder – three important personalities of the European IP community – have joined BARDEHLE PAGENBERG with the start of 2006, taking up their new positions as expert consultants and senior attorneys and advisors at the internationally active intellectual property firm.

Dr. Rudolf Teschemacher was Chairman of the Technical Board of Appeal 3.3.7 (Chemistry) and legally qualified member of the Enlarged Board of Appeal until 2005.

Dr. Reinhard Spangenberg was Chairman of the Technical Board of Appeal 3.3.5 (Chemical Engineering and Inorganic Chemistry) until 2003.

Dr. Dieter Stauder is a member of the European Patent Office and the current Director of the International Section of the "Centre d'Etudes Internationales de la Propriété Industrielle" (CEIPI) in Strasbourg, and Associate Professor of the University Robert Schuman.

With their immense experience gained in careers in the respective patent offices and IP institutions, these three prominent professionals will be specifically employed for

"premium tasks", rounding off and enhancing BARDEHLE PAGENBERG's successful concept of integrating patent attorneys and attorneys at law to offer the full scope of possible IP services in one IP law firm. The joining of the firm by Dr. Teschemacher, Dr. Spangenberg and Dr. Stauder is in line with the recent hiring of Dr. Alexander von Mühlendahl, former Vice President of the OHIM, and with the firm since November 2005, as already announced to and noted with interest by the international IP circles.

The firm's long-year policy of "organic growth according to client's needs" serves to continuously adapt to the challenges of today's highly litigious IP environment that is demanding for ever more professional specialization and experience. These three highly experienced professionals will follow up a firm tradition: BARDEHLE PAGENBERG is renowned among its industry clients, inter alia, for 'mock trials' which the firm is able to organize for clients with senior former Patent Office officials and experienced former judges of all courts and instances in order to rehearse lines of argument and explore possible court hearing scenarios.

At the same time, BARDEHLE PAGENBERG continues to recruit and train every year young patent attorneys and attorneys-at-law as well as trainees for these professions who learn the profession from scratch in the firm's in-house trainee program. Thus new talent and



seasoned experience support a solid core of 16 partners and all together about 60 attorneys and IP professionals in four European offices who channel their forces toward one and the same goal: top quality legal service in all areas of IP.

2. Enlarged Board of Appeal has rendered its Opinion on Diagnostic Methods (G 1/04)

The opinion answers the questions referred by the President of the EPO as follows:

- a) In order that the subject-matter of a claim relating to a diagnostic method practised on the human or animal body falls under the prohibition of Article 52(4) EPC, the claim is to include the features relating to:
- (i) the diagnosis for curative purposes *strictu sensu* representing the deductive medical or veterinary decision phase as a purely intellectual exercise,
 - (ii) the preceding steps which are constitutive for making the diagnosis, and
 - (iii) the specific interactions with the human or animal body which occur when carrying those out among these preceding steps which are of a technical nature.
- b) Whether or not a method is a diagnostic method within the meaning of Article 52(4) EPC may neither depend on the participation of a medical or veterinary practitioner, by being present or by bearing the responsibility, nor on the fact that all method steps can also, or only, be practised by medical or technical support staff, the patient himself or herself or an automated system. Moreover, no distinction is to be made in this context between essential method steps having diagnostic character and non-essential method steps lacking it.
- c) In a diagnostic method under Article 52(4) EPC, the method steps of a technical nature belonging to the preceding steps which are constitutive for making the diagnosis for curative purposes *stricto sensu* must satisfy the criterion “practised on the human or animal body”.

- d) **Article 52(4) EPC does not require a specific type and intensity of interaction with the human or animal body; a preceding step of a technical nature thus satisfies the criterion “practised on the human or animal body” if its performance implies any interaction with the human or animal body, necessitating the presence of the latter.**

Case History:

Under Article 52(4) of the European Patent Convention (EPC) diagnostic methods practised on the human or animal body are excluded from patent protection. In the previous case law diagnosis within the meaning of the provision was interpreted to include:

- the examination phase involving the collection of relevant data;
- comparing the data thus obtained with the standard values, finding any significant deviation (symptom) and,
- attributing the deviation to a particular clinical picture (the deductive medical decision phase).

If only one of these steps was lacking, there was no diagnostic method and, therefore, the exclusion from patent protection did not apply.

In 2001, the Technical Board of Appeal 3.4.1, responsible for the field of electrotherapy, magnetotherapy and radiation therapy, departing from the established case law, held that a single step of sampling a substance from the living body for diagnostic purpose was sufficient to bring the method in which the step was applied within the ambit of the exclusion (decision T 964/99). In the end of 2003, the President of the EPO referred the point of law to the Enlarged Board of Appeal asking four questions in order to ensure uniform application of the law. The public interest in the case was expressed in the eleven *amicus curiae* briefs filed by professional organisations, companies and representatives.

Reasons for the Opinion:

The answers given are, *inter alia*, based on the following considerations in the Reasons for the Opinion:



„At the outset, diagnosis in connection with Article 52(4) EPC is defined as the determination of the nature of a medical ... condition intended to identify or uncover a pathology ... (including) ... a negative finding that a particular condition can be ruled out.“

In considering which steps for making a diagnosis have to be comprised in a diagnostic method within the meaning of Article 52(4) EPC, the Board notes that the deductive medical decision, unless reached by a device, in itself is a mere intellectual exercise which is, pursuant to Article 52(2) EPC, not regarded as an invention. The Board draws the conclusion that methods under Article 52(4) EPC which are technical inventions must necessarily include preceding steps of a technical nature. The preceding technical steps of examination, data gathering and comparison are all considered constitutive for making a diagnosis. Different from surgical or therapeutic methods which may be expressed by a single method step, a diagnostic method is said to be of an inherent and inescapable multi-step nature. From this, the Board infers that intermediate findings of technical relevance must not be confounded with diagnosis and that a method for obtaining such results or findings does not constitute a sufficient basis for denying patentability.

The Board emphasises that the exclusion under Article 52(4) EPC cannot be circumvented by simply missing out one of the essential features. This would be contrary to Article 84 EPC, requiring that an independent claim must recite all the essential features which are necessary for clearly and completely defining the invention. In particular, the deductive medical decision has to be included if its essentialness is unambiguously inferable from the specification.

The opinion stresses that the qualification of an activity as having a diagnostic character does not depend on who is involved. It does not matter whether the method steps are practised by a physician, medicinal or non-medicinal support staff, the patient himself or an automated system. There is no basis for such a distinction, and in view of the technological change in this respect it would be contrary to legal certainty. In any case, the interest in protecting the free activity of medical and veterinary practitioners, if regarded necessary, might be better achieved by other means on the national level, such as

by introducing a right to use the methods in question.

As to the criterion practised on the ... body, this only applies to the technical features, i.e. not to the deductive decision phase nor to a preceding non-technical step such as comparing data collected in the examination phase. It is fulfilled if the method steps of a technical nature imply an interaction with the body, necessitating its presence. The criterion is not fulfilled in respect of method steps carried out in vitro in a laboratory.

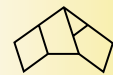
The Impact on the Applicant

The Enlarged Board of Appeal has confirmed the essence of the case law preceding decision T 964/99 by interpreting Article 52(4) EPC narrowly. This was not based on the general principle that patentability requirements have to be interpreted broadly or exceptions thereof narrowly. Rather, the conclusion that the exclusion under Article 52(4) EPC is to be interpreted narrowly is based on a thorough analysis of the wording and the purpose of the provision. In particular, the Board has given a persuasive reasoning why, for a method to be excluded under Article 52(4) EPC as surgical, a single surgical step may be sufficient, whereas under the same provision several interrelated steps must be present for a diagnostic method.

In the technology concerned not only the exclusion under Article 52(4) EPC is relevant, but also Article 52(2)(c) EPC is at issue, since many important contributions to the state of the art are implemented by means of data processing. The combination of both exclusions can make it difficult for applicants to achieve appropriate protection for innovations the technical character of which is beyond doubt. The opinion of the Enlarged Board of Appeal has set a clear standard for giving proper protection to investments in technical developments which are important not only for economic growth in Europe but also for public health.

The full text of the opinion is available on the EPO's website www.european-patent-office.org at Boards of Appeal/Enlarged Board of Appeal decision

Reported by Dr. Rudolf Teschemacher



3. Federal Supreme Court allows utility model protection for medical indication („drug utility model“ – X ZB 7/03)

In a surprising decision, the Federal Supreme Court has decided that Section 2 No. 3 German Utility Model Act does not exclude the registration of a utility model for the use of known substances in the context of a medical indication (Federal Supreme Court – „drug utility model“; X ZB 7/03 – „Arzneimittelgebrauchsmuster“).

According to Section 2 No. 3 German Utility Model Act, a utility model must not be directed to methods. Therefore, the German Patent and Trademark Office only registered utility models in the past which were clearly directed to products only. However, the Federal Supreme Court held in a previous decision (X ZR 188/01, see IP Report 2005/III) that also method features in product claims are admissible and define the scope of protection insofar as the involved method features give an indication to the skilled person whether and how structural features of a product have to be implemented according to the teaching of the invention.

In the new decision “drug utility model”, the Federal Supreme Court even allows utility model protection for the use of known substances in the context of a medical indication. The reasons for the decision are based on the argument that such use claims at least contain elements of a product claim (in the decided case: the specific substance as a drug). Further, the Federal Supreme Court referred to the conclusions of the German legislator relating to the German Utility Model Act of 1986. From these conclusions, it can not be concluded that Section 2 No. 3 German Utility Model Act should also exclude use claims.

Reported by Dr. Frank Peterreins

4. Federal Supreme Court on genuine use of trademarks for retailers („NORMA“ – I ZB 10/03)

For a retail enterprise distributing a multitude of different goods, trademark rights do not remain legally valid when said enterprise uses its trademark registered for such goods and corresponding to its

company name only for display in shop windows and in the sales rooms of its branch stores.

The basis of that decision was a proceeding before the Federal Patent Court which had denied a genuine use of the goods “pieces of clothing, footwear and headpiece” of word mark DD 647 137 “Norma”.

The Federal Supreme Court has supported this case law. In the findings the Court confirmed that the use of a sign registered as a trademark for goods is proper only when such use corresponds with the main function of the mark which is to guarantee the identity of origin of the goods in question by making it possible to distinguish these goods from other goods of a different origin.

However, such a proper use of the mark for the registered goods has not been established in the present case. The owner of the mark uses the sign “NORMA”, which is identical with his company name, for his entire assortment composed of a multitude of goods without specific reference to individual goods. Attached to these goods are, in some cases, the marks of the manufacturers, in other cases other marks of the retailer, and some goods are distributed without any marks. In this circumstance, the use of the sign “NORMA”, being identical with the company name, can at best refer to the service of the retail enterprise, but not to the origin of the goods for distinguishing them from goods of other origins, ruled the court. This also applies to attaching the sign to shopping bags and to tags on shelves as well as to advertising in newspapers and on hand-out leaflets.

The consistent differentiation of the Federal Supreme Court between the use, on the one hand, of a sign as a reference to the origin of the service of the retailer and, on the other hand, of certain goods for the distinction of goods from another origin is convincing and also in line with the decision “Praktiker” of the European Court of Justice.

Reported by Dr. Henning Hartwig



5. European Court of Justice confirms rejection of opposition against trademark application for „PICARO“ based on prior trademark registration „PICASSO“ (C-361/04 P)

On January 12, 2006, the Court of Justice of the European Community (ECJ) dismissed the appeal filed by the Succession Picasso seeking the annulment of the judgment of the Court of First Instance (CFI) which had dismissed said appellant's appeal against OHIM's refusal of an opposition against the trademark application for "PICARO" in the name of DaimlerChrysler AG based on the earlier Community Trademark registration "PICASSO" for lack of likelihood of confusion within the meaning of Art. 8 (1) (b) CTMR. The "PICARO" application covered the goods "vehicles and parts thereof, omnibuses" in class 12, the earlier Community Trademark registration "PICASSO" also covered goods in class 12, namely "vehicles; apparatus for locomotion by land, air or water, motor cars, motor coaches, trucks, vans, caravans, trailers".

In this decision the ECJ referred to its prevailing case law confirming that the assessment of a likelihood of confusion depends, in particular, on the recognition of the trademark on the market, on the association which can be made with the used or registered sign and on the degree of similarity between the trademark and the sign and between the goods or services identified. Furthermore, that global appreciation of the visual, phonetic or conceptual similarity of the marks in question must be based on the overall impression given by these marks.

Based on these findings, the ECJ held that an existing visual, phonetic or conceptual similarity of signs may be counteracted, if the meaning of at least one of the two signs at issue is clear and specific so that it can be grasped immediately by the relevant public. The court subsequently held that this applies in the present case, since the word sign "PICASSO" as the name of the famous painter Pablo Picasso has a clear and specific semantic content for the relevant public.

Taking also into account that the opposition mark "PICASSO" cannot be considered as of any highly distinctive character with respect

to motor vehicles and that the average consumer, in view of the nature of such goods and, in particular, their price and their high technological character, is particularly attentive when making a choice between different goods in the category concerned, the ECJ came to the conclusion that a likelihood of confusion according to Art. 8 (1) (b) CTMR between the trademarks "PICARO" and "PICASSO" has to be denied.

By rendering the decision of January 12, 2006 the ECJ confirmed that the current case law of the German Federal Supreme Court, in particular the constitutive decision of October 10, 1991 relating to a likelihood of confusion between the trademarks "BALLY" and "BALL", is in line with European trademark law. Already in this ground-breaking decision of 1991, the Federal Supreme Court outlined that a likelihood of confusion may be denied in case one or both of the signs at issue are words of the basic vocabulary and therefore have a clear meaning in the consumers' perception.

Reported by Karin Thanbichler-Brandl

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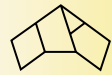
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