

Trademarks

Contributing editors
Claus Eckhartt and Christine Fluhme



2019

GETTING THE
DEAL THROUGH

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Trademarks 2019

Contributing editors

Claus Eckhardt and Christine Fluhme
Bardehle Pagenberg Partnerschaft mbB

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Preface

Trademarks 2019

Fifteenth edition

Getting the Deal Through is delighted to publish the fifteenth edition of *Trademarks*, which is available in print, as an e-book, and online at www.gettingthedealthrough.com.

Getting the Deal Through provides international expert analysis in key areas of law, practice and regulation for corporate counsel, cross-border legal practitioners, and company directors and officers.

Throughout this edition, and following the unique **Getting the Deal Through** format, the same key questions are answered by leading practitioners in each of the jurisdictions featured. Our coverage this year includes new chapters on the Bahamas, Greece, Saint Lucia and Ukraine.

Getting the Deal Through titles are published annually in print. Please ensure you are referring to the latest edition or to the online version at www.gettingthedealthrough.com.

Every effort has been made to cover all matters of concern to readers. However, specific legal advice should always be sought from experienced local advisers.

Getting the Deal Through gratefully acknowledges the efforts of all the contributors to this volume, who were chosen for their recognised expertise. Getting the Deal Through would like to extend special thanks to the contributing editors Claus M Eckhartt and Christine Fluhme of Bardehle Pagenberg Partnerschaft mbd for their assistance with this edition.

GETTING THE 
DEAL THROUGH 

London
September 2018

Germany

Claus Eckhardt and Christine Fluhme
Bardehle Pagenberg Partnerschaft mbB

1 Ownership of marks

Who may apply?

According to section 7 of the Trademark Act, the following may apply:

- natural persons;
- legal entities; and
- partnerships, provided that they have the ability to acquire rights and to incur obligations.

2 Scope of trademark

What may and may not be protected and registered as a trademark?

Protectable as a trademark are any signs, particularly words, including personal names, designs, letters, numerals, sounds and three-dimensional presentations, including the shape of goods or of their packaging, as well as any other trade dress including colours or colour combinations provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings (section 3 of the Trademark Act).

According to section 4 of the Trademark Act, protection can be obtained:

- by registration in the register of the German Patent and Trademark Office (the Office);
- through use of a mark in the course of trade, provided that the mark has acquired a secondary meaning as a trademark within the relevant public; and
- by notoriety pursuant to article 6-bis of the Paris Convention.

'Non-traditional' marks, for example, olfactory or tactile marks, may also be protected. As from 14 January 2019, the requirement of a graphical representation of a mark will be removed. The new legislation requires that a mark needs to be represented in a manner that enables the competent authorities and the public to determine the clear and precise subject matter of the protection.

3 Common law trademarks

Can trademark rights be established without registration?

As outlined in question 2, trademark rights can be established not only by registration, but also through use of a mark in the course of trade resulting in a secondary meaning as a trademark within the relevant public or by notoriety pursuant to article 6-bis of the Paris Convention.

There is no specific percentage defined in the Trademark Act required to confirm a secondary meaning of a mark. However, while each particular case must be analysed specifically, as a rule, at least 50 per cent of the relevant public must perceive the mark as a designation of origin in respect of the relevant goods or services. According to German practice, appropriate means of evidence in respect of a secondary meaning are, in particular, opinion polls.

4 Registration time frame and cost

How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

If the Office does not object to the registrability of a mark on absolute grounds or to the wording of the list of goods and services or raise any other objections, it takes between three and six months from application to registration, depending on the workload of the Office.

It is possible to request accelerated examination of the application. The Office will then examine an application within six months from the application date.

In the event of absolute grounds for refusal, it depends on whether or not the applicant pursues the application through all instances up to the Federal Patent Court and, possibly, to the Federal Supreme Court if the Patent Court grants leave for appeal to the Supreme Court. In such a case, it can take up to several years until registration of a mark.

In Germany, there are post-registration opposition proceedings with an opposition term of three months after publication of the registration of a mark. The opposition procedure may last one or several years, again depending on whether or not the dispute is pursued up to the Federal Supreme Court or the matter is settled amicably.

The official application fees are €300 for up to three classes (e-filing: €290) and €100 for each additional class from the fourth class, irrespective of the kind of mark (word mark, device mark, word and device mark etc). For accelerated examination, the Office charges €200. There are no official registration fees.

Applicants who do not have a domicile, registered office or place of business in Germany must appoint a representative (patent attorney or attorney at law) according to section 96 of the Trademark Act. However, no power of attorney has to be submitted to the Office.

5 Classification system

What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

The German system follows the International Classification System (Nice Classification, 11th edition). The Office accepts the terms in the Harmonized Database (TMclass).

Multi-class applications are available. As to the costs, see question 4.

6 Examination procedure

What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? Are letters of consent accepted to overcome an objection based on a third-party mark? May applicants respond to rejections by the trademark office?

Upon receipt of an application, the Office issues a filing receipt showing the application number, the name and address of the applicant and a preliminary classification. Unless the minimum requirements of an application (request for registration, trademark, goods and services and applicant) are not fulfilled, the application is published (status in the register: 'application received').

Provided that the application fees have been paid, the application will then be examined as to absolute grounds for refusal and whether the list of goods and services complies with the Nice Classification and allows for proper classification. There is no examination regarding relative grounds for refusal, namely, potentially conflicting prior rights of third parties. If there are no absolute grounds for refusal, the trademark will be registered. In the event of absolute grounds for refusal, the applicant will be given the opportunity to file counterarguments (see also question 8).

In the event of an objection to the wording of the list of goods and services, for example, as too broad or vague for proper classification, the examiners usually make amendment proposals and the applicant is requested to file an amended list of goods and services. Using terms contained in the TMclass database may avoid official objections.

7 Use of a trademark and registration

Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?

Foreign registrations are granted rights of priority in accordance with the Paris Convention.

No use has to be claimed before registration is granted or issued. Proof of use is only required if the applicant claims that the mark has acquired distinctiveness among the relevant public through use in order to overcome an objection on the basis of:

- lack of distinctive character;
- descriptiveness; or
- the fact that the mark has become a generic term.

In such a case, evidence regarding the extent and time of use of the mark must be submitted. If, on the basis of such evidence, the Office is of the opinion that the mark is likely to have acquired distinctiveness, the applicant is requested to submit proof thereof. Appropriate means of evidence are, in particular, opinion polls.

Within five years after the expiry of the opposition deadline, it becomes vulnerable to cancellation on the grounds of non-use if it has not been used genuinely for the goods and services for which it is registered unless there are proper reasons justifying the non-use (section 26 of the Trademark Act). Until 14 January 2019, the date on which most of the provisions of the Trade Marks Directive are implemented in Germany, the relevant period is five years after registration of a mark.

If an opposition was pending against registration of the mark, the five-year period starts with the date of termination of the opposition proceedings, which is published in the register.

If a mark has not been used for a consecutive period of five years it may be attacked for non-use and can no longer be enforced in relation to third parties in opposition or infringement proceedings.

8 Appealing a denied application

Is there an appeal process if the application is denied?

Where a first instance decision rejecting the application is taken by an examiner who is not legally qualified, the applicant may either request

reconsideration by the Office at a higher level or directly file an appeal at the Federal Patent Court. The reconsideration proceedings are less expensive and less formal. However, statistically, overcoming a rejection through a request for reconsideration is rare. The alternative review, by way of an appeal to the Federal Patent Court, will lead to a complete review of the case by the court. If the examiner issuing the first instance decision is legally qualified, only appeal at the Federal Patent Court is possible.

Both the request for reconsideration and the appeal must be filed within a non-extendable deadline of one month after the service of the first instance decision to the applicant.

The official fees are €150 for a request for reconsideration and €200 for an appeal to the Federal Patent Court.

The reconsideration proceedings are written proceedings. If the reconsideration request is rejected, appeal to the Federal Patent Court is possible. In appeal proceedings, the Court issues a decision either without or after a hearing. A decision of the Court may, with few exceptions, only be appealed at the Federal Supreme Court if the Court grants leave for appeal.

9 Third-party opposition

Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?

Opposition proceedings in Germany are post-registration proceedings. According to section 42 of the Trademark Act, third-party opposition is possible within three months after publication of the registration of a mark. Possible bases of an opposition are:

- prior trademark applications or registrations;
- earlier notorious trademarks;
- registration of the mark by an agent or representative of the owner of the mark;
- earlier non-registered marks or trade designations (eg, company names); or
- prior designations of origin or geographical indications (as from 14 January 2019).

Possible grounds for an opposition are:

- double identity;
- likelihood of confusion; and
- that use without due cause of the later identical or similar mark would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier mark, provided that the earlier mark is a mark with reputation.

In the event of a successful opposition, the contested trademark registration is cancelled.

Similar bases and grounds are applicable in cancellation (invalidity) proceedings before the civil courts on the basis of any prior rights by the owner of these prior rights (section 51 of the Trademark Act). Such invalidity proceedings are not precluded by opposition proceedings and vice versa. A cancellation action can be additionally based on other prior rights, for example, name rights, copyrights or plant variety designations, provided that such rights entitle their owner to prohibit use of the registered mark in Germany.

Moreover, cancellation (revocation) on the grounds of non-use can be requested by any third party (section 49 of the Trademark Act), either before the Office or before the competent civil court.

Further, registration of a mark is cancelled by the Office pursuant to section 50 of the Trademark Act upon request of any third party if:

- the sign is not capable of being protected as a trademark (section 3 of the Trademark Act);
- the registered owner does not fall under the possible trademark owners according to section 7; or
- there are absolute grounds for refusal or where the applicant was acting in bad faith (section 8).

Cancellation (invalidity and revocation) proceedings before the Office are administrative proceedings. The Office serves the cancellation request to the owner of the contested mark, who is given a certain period of time to object to the cancellation request. It may take one or more years until a decision is issued. Proceedings before the civil courts are adversary proceedings pursuant to the Code of Civil Procedure.

Article 45 of the Trade Marks Directive provides for full administrative cancellation proceedings. Before the Civil Courts cancellation can then only be requested in a counterclaim in infringement proceedings. These provisions will be implemented in Germany on 1 May 2020.

As regards bad faith applications, such marks can only be contested in cancellation, not in opposition proceedings. It is not necessary that the cancellation applicant has a corresponding trademark registration in Germany. However, the cancellation applicant must provide evidence that the adversary filed an identical trademark for identical or similar goods in full knowledge that the cancellation applicant had acquired a protectable vested interest in the mark at issue in Germany. The assumption of bad faith is not excluded by the fact that the adversary had an intention of its own to use the mark at the time of filing. However, it must be shown that by filing the trademark the adversary at least also pursued the objective of blocking the use of the mark in Germany for the cancellation applicant. Hence, the prospects of success of such proceedings very much depend on the evidence that can be produced by the cancellation applicant with regard to the bad faith.

The official opposition fee is €120. For each opposition mark, a separate opposition must be lodged. From 14 January 2019, the opposition fee will amount to €250 for one opposition mark and €50 for each further opposition mark, and one opposition can be filed based on several opposition marks provided the proprietor is the same. The official fees for cancellation proceedings before the office are €400 (invalidity) and €100 (revocation), respectively. In cancellation proceedings before the civil courts, court fees must be advanced to the court by the plaintiff. The court fees depend on the value in dispute. Assuming a value in dispute of €100,000, the fees to be advanced to the court would amount to €3,078.

10 Duration and maintenance of registration

How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?

The initial period of registration is 10 years, starting on the application date and ending after 10 years. Until 14 January 2019, the date on which most of the provisions of the Trade Marks Directive are implemented in Germany, the initial period ends after 10 years on the last day of the month of the application date. Registration may be renewed for 10 years by payment of the renewal fees of €750 for up to three classes and €260 class fees for each additional class from the fourth class (with a six-month grace period for payment of the renewal fees plus surcharge). Renewal is available for an unlimited number of 10-year periods.

No proof of use is required in order to obtain renewal of a registration. However, registration of a mark becomes vulnerable to cancellation on the grounds of non-use within five years after registration (see question 7).

11 The benefits of registration

What are the benefits of registration?

The benefits of registration are increased remedies for infringement, as use of the mark does not need to be proven unless the registered mark is subject to the requirement of use (see question 7).

In order to access specialised courts, it is not necessary to have a registered mark. Claims on the basis of marks that have acquired a secondary meaning as a trademark or trade designations, such as company names, are handled by the same specialised courts as registered marks.

A further benefit is, that according to section 28 of the Trademark Act, it is assumed that the registered owner is entitled to the right conferred by the registration of the mark.

Further, assistance of the customs authorities against unauthorised goods is easier to obtain on the basis of registered marks, given that the submission of an excerpt from the Office's online database is sufficient and no proof of use is required. In the case of unregistered marks pursuant to section 4, subsection 2 of the Trademark Act, proof of a secondary meaning as a trademark has to be submitted. Moreover, unregistered marks can only be enforced in national customs monitoring proceedings according to sections 146 et seq of the Trademark Act, whereas registered national marks can also be enforced under Council Regulation (EC) No. 608/2013.

12 Licences

May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?

As from 14 January 2019, the date on which the provisions of the Trade Marks Directive are implemented in Germany, upon request of the trademark owner or of the licensee, with the consent of the other party, a licence will be recorded in the register (official fee: €50).

13 Assignment

What can be assigned?

The right conferred by the registration, use or notoriety of a mark may be transferred or assigned in respect of all or only part of the goods and services for which the mark is protected (section 27 of the Trademark Act). There is no possibility of separating the assignment of a mark from its goodwill.

It is not necessary to assign business assets to make the assignment of a mark valid. On the other hand, in the event of a transfer or assignment of a business establishment or part thereof, the right conferred by registration, use or notoriety of a mark shall, in case of doubt, be included in the transfer or assignment of the business establishment or part of the business establishment to which the mark belongs (section 27, subsection 2 of the Trademark Act).

If the transfer or assignment of a registered mark concerns only some of the goods or services, registration of the mark can be divided. Moreover, it is possible to (partially) transfer or assign trademark applications (section 31).

14 Assignment documentation

What documents are required for assignment and what form must they take?

No documents are required for an assignment. In practice, however, transfers are mostly done in writing, in particular by an agreement between the parties.

As regards the recordal of an assignment, the required documents depend on the grounds of the transfer, namely, whether the transfer is based on an assignment agreement or on law (eg, in the case of a merger). No notarisation or legalisation is required. In the event of a transfer based on an assignment agreement, a simple copy of the agreement is sufficient, provided that the agreement includes the assignee's explicit acceptance of the assignment and the assignor's consent to the recordal of the assignment in the register. Moreover, if the recordal of assignment is requested by the registered representative, and if the representative also represents the new owner, no documents are required.

15 Validity of assignment

Must the assignment be recorded for purposes of its validity?

It is not necessary to record an assignment for purposes of its validity; the recordal in the official register is only declaratory, not constitutive. However, the successor in title shall, in proceedings before the Office or the Federal Patent Court, only be able to assert the claim for protection and invoke the right established by the registration from the date on which the request for recordal of the assignment was received by the Office (section 28, subsection 2 of the Trademark Act).

16 Security interests

Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

The right conferred by the registration, use or notoriety of a mark may be given as a security or be the subject of rights in rem or of measures in execution (section 29, subsection 1 of the Trademark Act). Security interests are registered upon request of one of the parties if proof is submitted to the Office.

17 Markings

What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

Trademark marking is not mandatory. The symbols ® and ™ may be used. However, according to the relevant case law the ® symbol may only be used in Germany if the mark is registered in Germany or any other EU member state. Otherwise, this symbol could be considered as misleading under unfair competition law.

18 Trademark enforcement proceedings

What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

As regards judicial proceedings, the owner of a mark can file a complaint to the competent court against an infringer (see question 19).

Concerning administrative proceedings, border enforcement proceedings are available according to the German Trademark Act and under Council Regulation (EC) No. 608/2013. Trademark owners may file an application for action to the German customs authorities. If the application is granted, it is valid for one year and can be renewed as long as the trademark registration or any other right is in force.

In the case of suspected counterfeit goods, release of such goods will be suspended by the customs. The rights holder and the declarant or addressee of the goods will be informed by the customs office. German law provides for a simplified procedure according to article 11 of Council Regulation (EC) No. 608/2013, which enables the customs authorities to have such goods abandoned for destruction under customs control, without there being any need to determine whether an intellectual property right has been infringed under national law. Within a period of 10 working days (three working days for perishable goods), the rights holder must inform the customs office that the goods infringe an intellectual property right and that he or she agrees to destruction under the simplified procedure. The declarant's or addressee's agreement shall be presumed to be accepted, when the declarant or addressee of the goods has not specifically opposed destruction within the prescribed period.

For parallel or grey imports and intra-Community trade, as well as in the case of unregistered rights, Council Regulation (EC) No. 608/2013 does not apply. Hence, it is recommendable to file a national application for action under the German Trademark Act that covers such cases. In national proceedings, the customs office informs the declarant or addressee of the goods about their seizure. If the addressee does not object to the seizure, the goods will be confiscated and destroyed where no opposition to the confiscation is made. If the addressee objects to the seizure, the rights holder must inform the customs whether the seizure request is maintained. If so, the rights holder must submit a corresponding judicial decision, in particular, a preliminary injunction or proof that a court decision has been requested but is still outstanding. A seizure issued within preliminary investigation in criminal proceedings also constitutes such a judicial decision.

German trademark law also provides for criminal sanctions. An unlawful use of a mark that gives rise to a likelihood of confusion or that is made with the intention of taking advantage of or being detrimental to the reputation or the distinctive character of a mark with reputation shall be punished by imprisonment of up to three years (up to five years if the offender acts on a commercial scale) or by a fine (section 143 of

the Trademark Act). Similar provisions apply for the infringement of a European Union trademark (section 143(a)) and of indications of geographical origin (section 144).

19 Procedural format and timing

What is the format of the infringement proceeding?

The owner of a trademark may file an action for injunction and damages against an alleged infringer (section 14 of the Trademark Act). The owner may also request information about the infringing acts (section 19) and, if applicable, destruction or recall of the goods (section 18).

Provided that there is a sufficient likelihood of infringement, the trademark owner may additionally request the alleged infringer to submit documents or to tolerate the inspection of an object that is at his or her disposal if this is required to substantiate the trademark owner's rights (section 19a). In addition thereto, the submission of banking, financial or trade documents can be requested if there is a sufficient likelihood that the infringement was committed on a commercial scale.

In respect of the trademark owner's claim for damages, in the event of an infringement committed on a commercial scale, he or she may request the infringer to submit banking, financial or commercial documents or to allow access to such documents if otherwise the settlement of the claim for damages would be doubtful (section 19b).

Both sections 19a and 19b rights are subject to the protection of the infringer's confidential information and the rule of proportionality.

As regards the procedure before the civil courts, after receipt of the court fees, which must be advanced by the plaintiff, the court serves the action to the defendant, who is requested to file a defence. The court hearing is prepared by the action and the defendant's reply and further briefs, if any.

German civil procedure does not provide for discovery as in the United States. During a court hearing, live testimony, for example, by witnesses or experts, is allowed.

The length of the proceedings varies from court to court. Until a first instance judgment is issued, it takes at least six to 12 months. If an appeal is filed, it may take another one to two years until the court of appeal renders a decision. If the appeal court grants leave to appeal the judgment on a point of law to the Federal Supreme Court, another few years may pass until a final decision is rendered.

Apart from main proceedings, a trademark owner may apply for issue of a preliminary injunction against the infringer with a civil court. As a rule, preliminary injunctions are issued ex parte within one to two working days. As from the service of a preliminary injunction to the infringer, use of the infringing sign must be discontinued immediately, and failure to comply therewith results in a fine being imposed by the court.

Opposition can be filed by the infringer, following which, a hearing is scheduled within four to six weeks. Unless new facts are submitted, the court is likely to maintain its legal view and issue a judgment that confirms the preliminary injunction within two to four weeks. Against this judgment, an appeal can be filed. No further appeal is possible against the appeal court judgment in preliminary injunction proceedings. During the whole proceedings the preliminary injunction remains valid and in force.

Concerning criminal enforcement mechanisms, as a rule, an offence is only prosecuted upon the trademark owner's request, unless the public prosecutor considers an ex officio intervention to be necessary due to a particular public interest in the prosecution (section 143, subsection 4 of the Trademark Act). Upon request by the trademark owner, the criminal prosecutor decides whether or not criminal proceedings are initiated. Provided that the regular minimum punishment laid down by law for the offence at issue is a fine or less than one year's imprisonment, the offender's culpability is considered to be low and the court agrees, the criminal prosecutor may decide not to pursue the matter (article 153 of the Code of Penal Procedure).

If criminal proceedings are initiated, main criminal proceedings before the court begin and a court hearing takes place. In trademark matters, the proceedings only rarely end with a sentence for imprisonment, fines are the rule.

If it can be assumed that the trademark owner's claim for information or damages in civil proceedings will be difficult to enforce, a complaint under article 395 of the Code of Penal Procedure can be filed that gives the trademark owner access to the records of the criminal proceedings.

Update and trends

Rights holders will benefit greatly from the implementation of the Trade Marks Directive in Germany. Most of the new provisions will enter into force on 14 January 2019. The elimination of the graphical representation requirement will facilitate the registration of non-traditional marks, and the revised Trademark Regulation contains implementing rules identifying the matter of representing marks. Furthermore, registration of certification marks will be available in Germany. Moreover, opposition can also be filed based on prior designations of origin or geographical indications, and it is no more necessary to file a separate opposition for each opposition mark. A cooling-off period will be available in opposition proceedings: the parties will be granted, at their joint request, a minimum of two months to allow for the possibility of a friendly settlement. Finally, to improve anti-counterfeiting, the new rules regarding counterfeit goods in transit will enter into force on the day after the promulgation of the Act for Implementation of the Trade Marks Directive (presumably in autumn 2018).

20 Burden of proof

What is the burden of proof to establish infringement or dilution?

As a rule, the trademark owner must prove all facts and submit legal arguments that support his or her claims based on infringement or dilution, and the defendant must prove all facts and submit legal arguments supporting his or her position.

21 Standing

Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

The trademark owner may seek a remedy for trademark violation. As regards licensees, they may institute infringement proceedings only with the trademark owner's consent (section 30, subsection 3 of the Trademark Act). From 14 January 2019, an exclusive licensee may institute infringement proceedings also without the trademark owner's consent, if the trademark owner, after formal notice, does not itself bring infringement proceedings within an appropriate period. Exclusive and non-exclusive licensees may without the trademark owner's consent intervene in an infringement action instituted by the trademark owner in order to obtain compensation for their own damages (section 30, subsection 4).

Only the trademark owner has standing to bring a criminal complaint.

22 Foreign activities

Can activities that take place outside the country of registration support a charge of infringement or dilution?

On the basis of a trademark with protection in Germany (whether by registration, through use or notoriety) only infringement or dilution in Germany can be prevented.

According to the case law of the European Court of Justice, infringement of a registered trademark required goods to be placed on the EU market. Goods bearing an EU trademark travelling from a non-EU country to another non-EU country in transit through an EU member state or subject to a suspensive procedure did not satisfy this requirement.

Under the new European Union Trade Mark Regulation, EU trademark proprietors now have the right to prohibit the transit of counterfeit goods through the territory of the EU unless the person responsible for the transit can prove that the EU trademark proprietor does not have the right to prohibit the use of the infringing sign in the country of destination. The transit of goods through Germany may be prohibited where such goods bear, without authorisation, a trademark or trade designation that is identical or that cannot be distinguished in its essential aspects from the proprietor's trademark or trade designation, unless the declarant or the holder of the goods can prove that the trademark or trade designation proprietor does not have the right to prohibit the use of the infringing sign in the country of destination.

This provision will enter into force the day after the promulgation of the Act for Implementation of the Trade Marks Directive (presumably in autumn 2018).

23 Discovery

What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

Provided that there is a sufficient likelihood of infringement, the trademark owner may request the alleged infringer to submit documents or to tolerate the inspection of an object that is at his or her disposal if this is required to substantiate the trademark owner's rights (section 19a of the Trademark Act). In addition thereto, the submission of banking, financial or trade documents can be requested if there is a sufficient likelihood that the infringement was committed on a commercial scale.

In respect of the trademark owner's claim for damages, in the event of an infringement committed on a commercial scale, he or she may request the infringer to submit banking, financial or commercial documents or to allow access to such documents if otherwise the settlement of the claim for damages would be doubtful (section 19b).

Both the section 19a and 19b rights are subject to the protection of the infringer's confidential information and the rule of proportionality.

Moreover, the trademark owner may claim inspection of the goods in the event of a seizure in customs proceedings (section 146, subsection 2).

24 Timing

What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

See question 19.

25 Litigation costs

What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

There is no typical range of costs associated with an infringement or dilution action. The attorneys' costs and court fees depend on the value in dispute applied by the plaintiff. Values in trademark infringement actions range between €100,000 and €500,000 or even more in the event of infringement of a trademark with a reputation in Germany. The prevailing party can request reimbursement of the costs as fixed by law. Concerning attorneys' costs, these are reimbursed on the basis of the German attorneys' statutory fee system, and not as agreed upon by the client and his or her attorney.

26 Appeals

What avenues of appeal are available?

Against a preliminary injunction, opposition can be filed. Against the court's judgment, appeal can be filed. No further appeal is possible against the appeal court judgment in preliminary injunction proceedings.

27 Defences

What defences are available to a charge of infringement or dilution, or any related action?

Possible defences are:

- use of the infringing sign neither gives rise to a likelihood of confusion nor does it take unfair advantage of or is detrimental to the distinctive character or the repute of the earlier sign (sections 14 and 15 of the Trademark Act);
- the prior registered trademark has not been put to genuine use although it is subject to the requirement of use (sections 25 and 26);
- the claim for infringement is under the statute of limitation. This is the case within three years counting from the end of the year during which the claimant obtained knowledge of the infringement and the infringer. Without such knowledge, the period is 30 years (section 20);

- the proprietor of the earlier trademark has acquiesced for a period of five successive years in the use of the later trademark, while being aware of the use, unless the application for the later trademark was filed in bad faith (section 21). Moreover, the general principles developed by German case law in respect of acquiescence apply;
- the contested sign is the defendant's name or address, has been used as a descriptive indication or has been used where it is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts (section 23). From 14 January 2019, this also applies to use of non-distinctive signs and to a use for the purpose of identifying goods or services as those of the proprietor of the trademark. Furthermore, use of the defendant's name or address will then be a defence only for natural persons;
- the goods have been put on the market in Germany, in another member state of the EU or in another contracting state of the European Economic Area under that trademark or trade designation by the owner or with his or her consent (exhaustion, section 24); or
- a request for cancellation of the later registered trademark has been rejected or should have been rejected on the grounds that the earlier trademark or trade designation did not yet have a reputation at the time of filing of the later trademark or the registration of the earlier trademark could have been cancelled on the date of the publication of the later trademark due to non-use or absolute grounds of refusal (section 22).

28 Remedies

What remedies are available to a successful party in an action for infringement or dilution, etc? What criminal remedies exist?

See question 19. As to damages, in most cases they are calculated on the basis of an estimated licence fee. Alternatively, the infringer's profits or the claimant's losses can be used as basis for calculating damages.

29 ADR

Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

ADR techniques are available, for instance, mediation in civil court proceedings. However, in trademark infringement cases mediation is used very rarely.

In trademark-related agreements, such as prior-rights agreements, arbitration clauses (eg, the WIPO arbitration clauses) are sometimes included.

Arbitral decisions are enforceable like judicial decisions provided that they have been declared enforceable (section 1010 of the Code of Civil Procedure).

As to the benefits of ADR, the costs are, as a rule, lower than those of litigation court proceedings.

30 Famous foreign trademarks

Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?

A famous foreign trademark is not afforded protection if it has not been used domestically. Only in the case of a European Union trademark, which enjoys reputation in the Community, is protection afforded even if not used domestically. According to the decision of the European Court of Justice in Case C-301/07, *PAGO International v Tirolmilch*, if an EU trademark is known by a significant part of the public concerned by the products or services covered by that trademark in a substantial part of the territory of the European Community, protection shall be granted against the infringement of such a trademark in the whole EU.



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