

IP Report

»The Bardehle Pagenberg IP Report«
2009/III – www.bardehle.com



BARDEHLE
PAGENBERG
DOST
ALTENBURG
GEISSLER

	Page
In Memoriam Reinhardt Schuster	2
BARDEHLE PAGENBERG holds Symposium on “EC Pharma Sector Inquiry – Does the Patent System need to be disciplined?”	3
Patent Law	
1. German Federal Supreme Court on insufficient disclosure as a ground for revocation (Decision of April 30, 2009 – Case Xa ZR 156/04 – Sicherheitssystem/Security system)	3
2. German Federal Supreme Court on the assessment of inventive step in view of common expert knowledge of the person skilled in the art (Decision of April 30, 2009 – Case Xa ZR 56/05 – Airbag-Auslösesteuerung/Airbag Triggering Control)	5
3. German Federal Supreme Court on the requirements for the obviousness of an invention (Decision of April 30, 2009 – Case Xa ZR 92/05 – Betrieb einer Sicherheitseinrichtung/Operation of a safety device)	6
4. European Patent Office (Technical Board of Appeal 3.3.02): Selection – inadmissible amendment (Decision of January 13, 2009 – Case T 1374/07 – Bread improver)	7
5. Dusseldorf District Court on the consequences of filing an incomplete German translation of a European patent with the German Patent and Trademark Office (Decision of January 15, 2009 – Case 4b O 146/07 – Aufblasventil/Inflating valve)	8
Trademark Law	
6. European Court of Justice: Bad faith applications (Decision of June 11, 2009 – Case C-529/07 – Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth – Golden Easter Bunny)	10
7. European Court of Justice: Comparative advertising and trademark infringement – “smell-alike” perfumes (Decision of June 18, 2009 – Case C-487/07 – L’Oréal SA v Bellure NV)	11
8. European Court of Justice: Protection of geographical indications (Decision of July 2, 2009 Case C-343/07 – Bavaria NV v Bayerischer Brauerbund e.V. – Bayerisches Bier)	13
9. European Court of Justice: Community trademarks and Madrid marks extended to the European Community enjoy equal protection under the customs seizure rules (Decision of July 2, 2009 – Case C-302/08 – Zino Davidoff SA v Bundesfinanzdirektion Südost – Davidoff)	15
10. European Court of Justice: Protection of state symbols against “heraldic imitations” (Decision of July 16, 2009 – Joined Cases C-202 & 208/08 P – American Clothing Associates NV v OHIM and OHIM v American Clothing Associates NV – Maple Leaf)	16
11. German Federal Supreme Court on the preconditions a colour combination has to fulfil for claiming trademark protection though use (Decision of February 19, 2009 – Case I ZR 195/06 – UHU)	17
12. German Federal Supreme Court: Owners of an eBay account can be liable for trademark infringement caused by misuse of such account if access information has not been kept safe (Decision of March 11, 2009 – Case I ZR 114/06 – Halzband/Collar)	18
13. German Federal Supreme Court holds that “POST” and “OSTSEE-POST” are dissimilar (Decision of April 2, 2009 – Case I ZR 78/06 – OSTSEE-POST)	19
Design Law	
14. European Court of Justice: First decision on reference for a preliminary ruling in Community design matters (Decision of July 2, 2009 – Case C-32/08 – FEIA v Cul de Sac Espacio Creativo SL, Acierta Product & Position SA)	20



BARDEHLE
PAGENBERG
DOST
ALTENBURG
GEISSLER

In Memoriam Reinhardt Schuster



Partners, colleagues and the entire staff of BARDEHLE PAGENBERG are deeply shocked and saddened by this untimely loss. We will always remember Reinhardt Schuster as an outstanding, dedicated lawyer, and above all, as a person of high human qualities with a great sense of humour.

Reinhardt Schuster, partner of BARDEHLE PAGENBERG, passed away unexpectedly on July 2, 2009 at the age of 46.

As an attorney-at-law, Reinhardt Schuster focused on patent litigation in all technical fields and was involved in numerous multi-jurisdictional proceedings in Germany and Europe, including patents, utility models, designs, know-how, unfair competition, licensing and IP-related contracts.

Reinhardt Schuster joined BARDEHLE PAGENBERG as a trainee in 1988, became a partner in 1995, Co-managing Partner from 2003-2005 and, after his reelection, again in 2009.

His international renown as a patent litigator was reflected in many personal listings, amongst them “Best Lawyers”, “Guide to the World’s Leading Patent Law Practitioners (MIP) 2009”, “Legal 500 EMEA 2009”, “Juve 2008/2009”, “Who’s Who Legal/Patents 2008”, “Chambers Europe 2009” and “The Best of the Best 2008”. Reinhardt Schuster was honoured with the “IP Awards 2005” in the category of “Best achievement in patent litigation”.

He was a long-standing member of the editorial boards of “Managing Intellectual Property” and “Patent World”, leaving a list of over 30 articles and contributions to books on IP topics, and lectured repeatedly in Europe, Asia and the United States on subjects of his professional activity.



BARDEHLE
PAGENBERG
DOST
ALTENBURG
GEISSLER

Symposium on “EC Pharma Sector Inquiry – Does the Patent System need to be disciplined?”

On July 17, 2009 BARDEHLE PAGENBERG held a Symposium on the “EC Pharma Sector Inquiry” and possible impacts on IP Law. Outstanding experts both from industry and academia gathered as speakers and panellists, including Josef Drexl (Max-Planck-Institute, Munich), Thomas Porstner (ProGenerika, Berlin), David Rosenberg (GlaxoSmithKline, London) and Hanns Ullrich (Munich). Members of the EPO and the GPTO, judges from the German Federal Patent Court and German civil courts as well as IP practitioners from industry and law firms attended and contributed to a most valuable and controversial discussion.

In 2008, the Directorate-General for Competition of the European Commission, concerned about the decreasing number of novel medicines and about the time generic pharmaceuticals take to reach the market after expiry of the patent, launched an inquiry in the pharmaceutical sector. In its preliminary report published in November 2008, DG Competition voiced concerns that the European patent system impedes innovation and unduly delays the market entry of generic products. The final report was only published on July 8, 2009.

The Symposium held a few days later offered a timely forum to discuss this report and DG Competition’s approach to intervene in patent matters. The presentations and discussions did not question the basic assumptions of delayed market entry of generic medicines and the tendency of decline of novel medicines. Rather, criticism focused on DG Competition’s suspicion that this was caused by patent applications and patent enforcement and DG Competition’s lack to examine the causal interplay. It was also criticized to call upon anti-trust law in order to control and restrict the application for and enforcement of IP rights. However, the presentations and discussions revealed that not all practices involving patent application and enforcement can be considered as appropriate practices and that anti-trust law might correctly be applied for settlement agreements providing “reverse payments” from the owner of the original product to the

defendant for keeping the generic product out of the market.

BARDEHLE PAGENBERG will publish a book documenting the “EC Pharma Sector Inquiry” Symposium, being the second Symposium after last year’s “Stem Cell Research”, in a series of expert discussions on topics of public interest.

1. German Federal Supreme Court on insufficient disclosure as a ground for revocation (Decision of April 30, 2009 – Case Xa ZR 156/04 – Sicherheits-system/Security system)

The earlier case law of the Federal Supreme Court for the German examination procedure that a patentable invention has to be unambiguously identifiable can not be directly applied on the revocation ground of insufficient disclosure concerning the German national part of a European patent.

In the decided case, claim 1 of a granted European patent was attacked in a German post-grant nullity procedure – among other reasons – for alleged insufficiency of disclosure. The contested claim related to a security system such as an airbag or a seat-belt pretensioner. Beyond standard components such as a trigger sensor with a certain response time, a computing unit and an output unit for activating the airbag or the seat-belt pretensioner, the claimed system included a blocking unit, which unlocks the output unit only after a “release of locking” time has elapsed, which is shorter than the response time of the trigger sensor.



The idea behind the invention was that during the “release of locking” time additional checks could be performed to verify whether there was indeed an accident and therefore a reason to activate the airbag or the seat-belt pretensioner, or whether there was only a malfunction of the computing unit. As a result, the airbag or the seat-belt pretensioner are only activated if both the response time of the trigger sensor and the “release of locking” time have elapsed.

The Federal Patent Court had revoked the patent since it considered it not to be clear from the description of the attacked patent whether the “release of locking” time started to run in parallel with the response time of the trigger sensor or only after the response time had elapsed. Both interpretations, one of which was argued by plaintiff, the other by defendant, seemed technically plausible. Accordingly, it was impossible to unambiguously identify the invention. Referring to earlier decisions of the Federal Supreme Court (for example X ZB 9/70 “Trioxan”), the Federal Patent Court therefore revoked the patent for insufficient disclosure.

In the second instance appeal proceedings in front of the Federal Supreme Court the claim was amended by the clarification that the “release of locking” time followed the response time, i.e. the patentee unambiguously limited the claim to one of the alternatives discussed during the first instance proceedings.

Nevertheless, in the reported decision the Federal Supreme Court took the opportunity to expressly rebut the reasoning applied by the Federal Patent Court in its first instance decision. First of all, the Federal Supreme Court criticized that the Federal Patent Court had not fulfilled its obligation to interpret the meaning of the claim independently from the arguments of the parties. Simply noting a contradiction between two plausible claim interpretations was not deemed sufficient.

Moreover, the Federal Supreme Court considered the earlier decisions cited by the Federal Patent Court not to be applicable in the present case. The cited decisions issued prior to a major revision of the Patent Act in 1978 and, more importantly, did not relate to post-grant revo-

cation procedures for the national part of a European patent but rather to the national German examination procedure. With respect to the revocation of the national part of a granted European patent, Art. 138 EPC provided the admissible grounds of revocation. A lack of clarity, i.e. a violation of Art. 84 EPC, by itself was not an admissible ground. Only if lack of clarity or lack of information to identify the invention made it impossible for the person skilled in the art to perform the invention could the patent be revoked for insufficient disclosure. However, this was not already the case if there was more than one possibility to interpret the claim. On the contrary, in such a case the correct claim interpretation had to be selected in a first step, and only then it was to be verified whether the patent sufficiently disclosed the invention based on the selected interpretation.

Remarks

The reported decision will be helpful for defending patents against the ground of insufficient disclosure in German nullity procedures. As in a European opposition procedure, also in national German post-grant opposition a lack of clarity of a granted claim is not an admissible revocation ground, even if it is “hidden” as an allegedly insufficient disclosure of the claimed invention. In many cases, plaintiffs point to some contradiction in the description – which can probably be found in any patent – to argue that the invention is insufficiently disclosed and can therefore not be performed. Such a line of argument, however, should no longer be successful when attacking a patent in Germany. Only if there is no way at all of interpreting the claim in such a manner that it leads to a teaching which can be performed on the basis of the information in the description will insufficient disclosure succeed as a ground for revocation.

Reported by Dr. Hans Wegner





2. German Federal Supreme Court on the assessment of inventive step in view of common expert knowledge of the person skilled in the art (Decision of April 30, 2009 – Case Xa ZR 56/05 – Airbag-Auslösesteuerung/Airbag triggering control)

The fact alone that a technical subject matter is common expert knowledge does not prove that it was obvious for the person skilled in the art to use this knowledge to solve a particular technical problem.

In the present nullity appeal case, the Federal Supreme Court had to decide on the validity of the German part of a European patent relating to retaining means in a safety system for vehicle occupants, e.g. an air bag. The patent was upheld by the German Federal Patent Court on the basis of an amended set of claims. Plaintiff and appellant had attacked the patent-in-suit inter alia for lack of inventive step. The plaintiff argued in the appeal proceedings that the only feature which was not known from a respective written prior art document submitted in the appeal proceedings would be rendered obvious by the common expert knowledge.

The feature in question concerned the determination of a threshold value for triggering the retaining means, e.g. the air bag, and relied on an integrated acceleration signal (speed signal), according to the patent in dispute. The written prior art disclosed a somewhat complex solution for such determination based on a different value, namely an exponential mean value of the acceleration signal.

The German Federal Supreme Court rejected the appeal and took the view that the person skilled in the art had no reason to modify or to replace the complicated and complex system for comparing thresholds, according to the written prior art document. The small effort which was required for the modification from the mathematical point of view – and which was also confirmed by the court appointed expert – did not qualify to provide a sufficient hint or motivation to guide the person skilled in the art to the patented solution. Also, the principally possible usage of an integrated acceleration signal

(speed signal) belonging to the common expert knowledge would not be sufficient to prove that it was obvious for the person skilled in the art to use this speed signal in the context of the solution according to the written prior art which, on the contrary, does not rely on this signal. In this context, the Federal Supreme Court expressly held that the fact alone that a technical subject matter is common expert knowledge does not prove that it was obvious for the person skilled in the art to use this knowledge to solve a particular technical problem. Rather a sufficient motivation of the person skilled in the art to use this knowledge must be shown. In the present case, neither the plaintiff nor the court appointed expert were able to identify such motivation.

Remarks

The present decision is fully in line with the prevailing case law of the Federal Supreme Court and the European Patent Office, and confirms the established requirement that a motivation to combine certain written prior art sources must be shown to prove the obviousness of a combined solution. The “new” aspect of this decision is the explicit finding that a motivation is also required with respect to a combination of a written prior art document with common expert knowledge. In practice, this clearly strengthens the position of the patentee. Thus it is recommendable for nullity plaintiffs to put particular emphasis and effort in arguing the indispensable motivation to combine certain prior art.

Reported by Dr. Niels Malkomes





3. German Federal Supreme Court on the requirements for the obviousness of an invention (Decision of April 30, 2009 - Case Xa ZR 92/05 - Betrieb einer Sicherheitseinrichtung/Operation of a safety device)

The Federal Supreme Court ruled that a particular approach of a person skilled in the art to solve a specific technical problem, if different from the usual approach to the solution, can in general only be considered as rendered obvious if initiatives, suggestions, hints or other reasons are given which go beyond the mere recognizability of the technical problem.

The present decision relates to a German patent on a method for operating a safety device for vehicle occupants. The related safety device was attacked in a German nullity procedure. Such safety devices comprise air bags, belt pretensioners or the like, being actuated by pyrotechnic gas generators which are triggered by electric trigger means that heat up and start the pyrotechnic reaction. In case of a car accident, it may not be ensured that enough electric energy is provided by the board electrics. Therefore, the prior art suggested to use an auxiliary energy storage device (capacitor) for an independent electric energy supply. However, in some cases, the auxiliary storage device was already discharged after triggering the first pyrotechnic gas generator, because the trigger means had a shortcut or non-predictable resistance values and thus drew too much electric energy after the explosion. This caused the discharge of the auxiliary storage device and the triggering of further gas generators failed. In order to solve this problem, claim 1 of the patent-in-suit suggests a new method for operating a safety device by measuring the amount of energy supplied to the electric trigger means and by cutting off the energy supply to previously activated trigger means after a certain energy limit is reached. From the closest prior art document it was already known to insert a fuse into the line of the trigger means which breaks the electric connection when the trigger means produces a shortcut after release. The fuse allows for sufficient electric current to safely activate the trigger means, however, it cuts off the connection if the electric current exceeds a predetermined limit.

Prior to the present nullity procedure, the patent-in-suit was already attacked in opposition proceedings in which the subject matter of claim 1 was considered to be inventive over the closest prior art: the possibility to measure the amount of energy supplied to the trigger means would be a different approach than breaking a fuse at a predetermined current level. By this new approach low currents of previous releases could be measured which continuously lead to a discharge of the energy storage device.

In the first instance of the present case, the Federal Patent Court arrived at a different conclusion and revoked claim 1 of the patent-in-suit for lack of inventive step over the closest prior art: the known values for the melting time and melting current of the fuse of the prior art allow to draw a conclusion as to the amount of energy provided to the trigger means until the fuse melts. If the person skilled in the art wanted to improve this system and wanted to additionally take into account a discharge by low currents, a motivation would be given to measure the energy provided to the trigger means. When knowing the underlying problem, it would be the general knowledge of the person skilled in the art that measuring the energy leads to comparably better results. Therefore, it would be obvious after actuation of each trigger means to measure the energy fed to the trigger means and to cut off the energy supply to the previously actuated trigger means after a certain energy limit value is reached.

In contrast, the Federal Supreme Court assumed an inventive step in the present decision, lifted the decision of the Federal Patent Court, and rejected the nullity complaint. According to the Federal Supreme Court, the release point of a fuse did not depend on the energy supplied, but on the amplitude of the triggering current. Since this triggering current depended only on the characteristic of the fuse, there was no motivation for the person skilled in the art to measure the energy supplied to the trigger means. In contrast, the patent-in-suit prevented that the energy stored in the storage device is discharged up to a critical state, and thus it did no longer need a fuse. Notably, it was not relevant for the Federal Supreme Court that the court expert considered the approach of the patent-in-suit as almost



mandatory if the person skilled in the art analyses the prior art with respect to the limited amount of stored energy, since the court expert could not provide any examples for such a change in the approach. According to the Federal Supreme Court, the person skilled in the art, in general, would follow the most appropriate approach. However, experience shows that the technical development does not necessarily follow such approaches which – in a retrospective view – are technically appropriate or more or less mandatory. Therefore, initiatives, suggestions, hints or other reasons must be given to render an approach obvious that is different to the commonly used approach to solve a certain problem. The mere recognizability of the technical problem is insofar not sufficient. Further, the Federal Supreme Court confirmed the so-called “one way street” case law, according to which there is no inventive step if there is only one way that leads automatically from the problem to the claimed solution. Such a situation was not given in the present case since there were alternative approaches in the prior art that led to comparable results with different measures.

Finally, the Federal Supreme Court has confirmed – like in a series of similar decisions – the established prerequisites for denying inventive step, requiring a clear motivation of the person skilled in the art to assume the obviousness of a new technical solution which was usually solved by a different approach. Mere knowledge of the underlying problem and further considerations based on the general knowledge of the person skilled in the art are not sufficient to assume such motivation. Thereby the Federal Supreme Court moved a step towards the so-called “could-would” approach of the European Patent Office, also requiring a clear motivation for the person skilled in the art to combine prior art in order to render a combined solution obvious. Thus, to be successful in German or European validity proceedings, an obviousness-attack should present in detail the motivation of the person skilled in the art to arrive at the patented solution, preferably based on as many examples in the prior art as available leading in the direction of the patented solution and leaving established paths.

Reported by Alexander Wunsch

4. European Patent Office (Technical Board of Appeal 3.3.02): Selection - inadmissible amendment (Case T 1374/07 of January 13, 2009 – Bread improver – not foreseen for publication).

A selection of two components from one list is equivalent to a twofold selection from two identical lists.

The determination of the disclosure contained in a document calls for particular care if the document contains a general teaching which may cover a number of specific embodiments. Such an assessment has to be made not only when the prior art for establishing novelty and inventive step is examined, but also when the admissibility of an amendment is at stake. In accordance with Article 123(2) EPC, an amended European patent application may not contain anything which is not directly and unambiguously derivable from the application as originally filed.

In the reported case, the patent was granted with the following main claim: “Bread improver in the form of a powder, characterised in that it is made of agglomerated particles having a mean particle size of at least 250 µm, said particles being made of at least fat and enzymes.”

The patent was opposed, inter alia on the grounds of added subject-matter under Article 123(2) EPC. The Opposition Division held that there was no direct and non-ambiguous disclosure in the application as originally filed for the feature “made of at least fat and enzymes”, which was added in claim 1 during the examination procedure. Thus, it revoked the patent.

In its appeal, the patentee submitted that the case law relating to a selection from two lists, referred to by the Opposition Division in its decision, was not applicable in the present case because that case law related to the assessment of novelty and not to inadmissible broadening. It also argued that the selection of two members (fat and enzymes) was made within not two lists but only a single list. Finally, it pointed out that, according to the case law, the two lists forming the basis of a selection had to have “a certain length” to be applicable.



The Board of Appeal, examining the basis for the amendment, considered two passages in the description, the first listing fat and enzymes among eight well known ingredients of bread improvers, and the second stating “that the improver according to the invention can further comprise one or more ingredients selected from the group” of the said eight ingredients “and/or a mixture thereof”. According to the Board, this disclosure did not suggest that the bread improver must advantageously be made of at least fat and enzymes. The expression “and/or a mixture thereof” at the end of the list could not be seen as a basis for the combination of “at least fat and enzymes”, because this expression covered not only the combination of two ingredients (28 combinations of two ingredients being possible) but also the combinations of three ingredients, the combinations of four ingredients, etc.

In addition, the Board noted that it appeared from the original claims that enzymes were an optional ingredient and proteins an essential ingredient. The deletion of proteins also constituted an infringement of Article 123(2) EPC.

The Board did not agree with the appellant's main lines of argument that the well-established case law - that a selection from two lists of a certain length is novel - is not applicable for several reasons. The Board referred to clear case law stating that the so-called “novelty test” could be applied when determining whether an amendment is originally disclosed or not, at least where the amendment is made by way of addition. A selection of two components from one list was in fact equivalent to a twofold selection from two identical lists. As to the length of the list, the Board stated that the situation in the case cited by the appellant was very much comparable with the case under appeal, which amounted to a twofold selection from eight members.

Remarks

The reported case shows that the concept of disclosure applied by the EPO has its merits not only for the applicant when selection inventions are at stake. The other side of the coin is that the applicant is limited in creating fall-back positions during prosecution. Combinations of fea-

tures cannot be made arbitrarily in the course of examination but should be specifically disclosed in the application as filed.

Reported by Dr. Rudolf Teschemacher



5. Dusseldorf District Court on the consequences of filing an incomplete German translation of a European patent with the German Patent and Trademark Office (Decision of January 15, 2009 – Case 4b O 146/07 – Inflating Valve/Aufblasventil)

Filing an incomplete German translation of a European Patent is defined as filing a translation such that it does not allow for a publication in the proper form. Therefore, the German part of the European patent was deemed to be void ab initio in the Federal Republic of Germany according to Article II Section 3 paragraph 2 IntPatÜG (cf. Art. 65 EPC).

The plaintiff asserted against the defendants claims for infringement of the German part of a European patent which was prosecuted and published in English. The patent-in-suit concerns an inflation valve for bags and other containers. The defendants are manufacturers and distributors of airbags using such valves. The mention of the grant of the European patent-in-suit was published in the European Patent Bulletin on March 7, 2001. The former owner of the patent-in-suit – a subsidiary of the plaintiff – filed a German translation of the patent-in-suit within the 3-months deadline of Art. II Sec. 3 paragraph 1 IntPatÜG (German Act



on International Patent Treaties), lacking a German translation of the headlines “Technical Field”, “Background Art”, “Brief Description of the Invention”, “Brief Description of the Drawings”, and “Best Mode for Carrying out the Invention”. On December 8, 2008, the plaintiff filed a corrected version of the German translation with the German Patent and Trademark Office. The Düsseldorf District Court rejected the infringement complaint since no complete translation of the patent-in-suit was filed within the applicable 3-months deadline, with the consequence that the patent-in-suit would not be in force in Germany according to Art. II Sec. 3 IntPatÜG.

Generally, Art. II Sec. 3 IntPatÜG requires in its paragraph 1 to file a German translation of a European patent within 3 months from the date of the mention of the grant of the European patent in the European Patent Bulletin, if the language of the proceedings was not German. In paragraph 2 and paragraph 5 two different legal consequences for different situations are established. Paragraph 2 sets forth that if no translation was filed within the said deadline, or not in a form allowing for a publication in proper form, or if the publication fee was not paid in due time, the European patent is deemed to be void in the Federal Republic of Germany ab initio. Paragraph 5 states that if an incorrect translation was filed, the person having commenced to use the invention – relying in good faith on the incorrect German translation – may continue the use free of charge if the use is no patent infringement based on the incorrect German translation.

With the present decision, the Düsseldorf District Court essentially ruled that an incomplete translation is no translation allowing for a publication in the proper form. Consequently, Art. II Sec. 3 paragraph 2 IntPatÜG would be applicable with the consequence that the patent in-suit is deemed to be void in Germany ab initio.

Remarks

In practice, many German translations of European patents are incomplete in the sense of this decision, e.g. with respect to a missing translation of a headline, or a denomination in a figure or table of the

patent specification. According to the present decision, such patents would not be enforceable in Germany. However, according to the opinion of many patent practitioners, patent owners may expect that this decision will not be upheld on appeal for the following reasons: Art. II Sec. 3 paragraph 2 which was applied by the Düsseldorf District Court seems to be inapplicable in the described scenario. It exclusively lists three alternative reasons for its legal consequence. These are that (1) no translation (at all; or at least if it is lacking major parts) was filed within the 3-months deadline, (2) a lack of form, or (3) a missed payment of the publication fee. Any incompleteness of translation, however, is not mentioned. Rather, Art. II Sec. 3 paragraph 5 IntPatÜG dealing with incorrect translations appears to be the applicable provision, which may lead to a right of continued use of a third party in good faith, but which would not lead to a general unenforceability of the patent. A Court of Appeals decision on this case will be discussed in a following issue of the IP Report, as soon as it is available.

Reported by Jörg Wahl





6. European Court of Justice: Bad faith applications (Decision of June 11, 2009 – Case C-529/07 – Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth – Golden Easter Bunny)

Lindt & Sprüngli are proprietors of a three-dimensional Community trademark of a chocolate Easter bunny wrapped in gold foil with some markings and a band around its neck, looking like this:



They brought an infringement action in Austria against a local company, Franz Hauswirth GmbH, which was marketing an Easter bunny in gold foil looking like this:



Hauswirth defended itself, inter alia, by claiming that Lindt & Sprüngli had filed their mark in bad faith because they knew of the prior marketing by Hauswirth and had obtained the mark to secure an unjustified exclusivity on the Austrian market.

The Austrian Supreme Court, where the case had arrived again after it had confirmed a preliminary injunction against Hauswirth, referred the following questions to the ECJ:

(1) Is Article 51 (1) (b) of ... Regulation No 40/94 ... to be interpreted as meaning that an applicant for a Community trade mark is to be regarded as acting in bad faith where he knows, at the time of his application, that a competitor in (at least) one Member State is using the same sign, or one so similar as to be capable of being confused with it, for the same or

similar goods or services, and he applies for the trade mark in order to be able to prevent that competitor from continuing to use the sign?

(2) If the first question is answered in the negative:

Is the applicant to be regarded as acting in bad faith if he applies for the trade mark in order to be able to prevent a competitor from continuing to use the sign, where, at the time he files his application, he knows or must know that by using an identical or similar sign for the same goods or services, or goods or services which are so similar as to be capable of being confused, the competitor has already acquired a 'valuable right' ('wertvollen Besitzstand')?

(3) If either the first or the second question is answered in the affirmative:

Is bad faith excluded if the applicant's sign has already obtained a reputation with the public and is therefore protected under competition law?'

The ECJ analysed the situation in some detail and concluded with the following answer:

"In order to determine whether the applicant is acting in bad faith within the meaning of Article 51 (1) (b) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark, the national court must take into consideration all the relevant factors specific to the particular case which pertained at the time of filing the application for registration of the sign as a Community trade mark, in particular:

- the fact that the applicant knows or must know that a third party is using, in at least one Member State, an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought;
- the applicant's intention to prevent that third party from continuing to use such a sign; and
- the degree of legal protection enjoyed by the third party's sign and by the sign for which registration is sought.



Remarks

The ECJ missed a great opportunity to develop rules helpful in deciding bad-faith allegations.

For example, the Court could have stated explicitly that mere knowledge of a prior user does not constitute bad faith, a principle well established in most national jurisdictions. Instead, we have the rather enigmatic pronouncement that such knowledge may be one of the elements, and even a “must have known” is added. The Court could also have stated that the intention to prevent others from using identical or similar marks by suing for trademark infringement is, in itself, not bad faith. It seems natural to assume that a trademark proprietor will use his mark to prevent infringements.

The third element in the Court’s answer – “the degree of legal protection” – also leaves many questions unanswered. If the trademark applicant is aware of a prior user and a “degree” of protection which does not amount to an earlier exclusive right, why would such knowledge constitute bad faith leading to the cancellation of a trademark with effect erga omnes? When an earlier sign already enjoys protection in a Member State as a trade name or unregistered trademark, or under passing off, its proprietor will prevail over the later trademark registration and does not need the “help” of a bad faith claim. When the earlier sign does not enjoy such protection, i.e. is not an “earlier” right, but there has been substantial use, the proper remedy would seem to be to provide for the right to continue such use, rather than for the cancellation of the later mark on grounds of bad faith.

A significant element mentioned in the body of the decision, but not included in the answer, is the degree of reputation enjoyed by the sign at a time prior to the trademark application. Converting protection as an unregistered trademark into a registered trademark, on the basis of secondary meaning or otherwise, is accepted practice in many jurisdictions, and is certainly an argument in favour of the trademark proprietor. The case is now back before the Austrian courts.

Reported by
Dr. Alexander von Mühlendahl, LL.M.

7. European Court of Justice: Comparative advertising and trademark infringement – “smell-alike” perfumes (Decision of June 18, 2009 – Case C-487/07 – L’Oréal SA v Bellure NV)

L’Oréal and other companies in the same group, Lancôme parfums et beauté and Laboratoire Garnie, brought trademark infringement suits in the United Kingdom against Bellure and a number of other companies specializing in the marketing of “smell-alike” perfumes. They are sold with comparison lists linking the smell-alike to the original, and in get-ups and with marks that evoke the originals. The first instance court (High Court) had granted most of the claims. The case reached the Court of Appeal for England and Wales which, after extensive arguments, referred a series of questions to the ECJ seeking to clarify the interpretation of the Misleading and Comparative Advertising Directive, of the Trade Marks Directive, and of the interplay between the two:

(1) Where a trader, in an advertisement for his own goods or services, uses a registered trade mark owned by a competitor for the purpose of comparing the characteristics (and in particular the smell) of goods marketed by him with the characteristics (and in particular the smell) of the goods marketed by the competitor under that mark in such a way that it does not cause confusion or otherwise jeopardise the essential function of the trade mark as an indication of origin, does his use fall within either (a) or (b) of Article 5 (1) of Directive 89/104?

(2) Where a trader in the course of trade uses (particularly in a comparison list) a well-known registered trade mark for the purpose of indicating a characteristic of his own product (particularly its smell) in such a way that:

(a) it does not cause any likelihood of confusion of any sort; and

(b) it does not affect the sale of the products under the well-known registered mark; and

(c) it does not jeopardise the essential function of the registered trade mark as a guarantee of origin and does not harm the reputation of that mark, whether by tar-



nishment of its image or dilution or in any other way; and

(d) it plays a significant role in the promotion of the trader's product,

does that use fall within Article 5 (1) (a) of Directive 89/104?

(3) In the context of Article 3a (1) (g) of [Directive 84/450], what is the meaning of "take unfair advantage of" and in particular, where a trader in a comparison list compares his product with a product under a well-known trade mark, does he thereby take unfair advantage of the reputation of the well-known mark?

(4) In the context of Article 3a (1) (h) of the said directive, what is the meaning of "present[ing] goods or services as imitations or replicas" and in particular does this expression cover the case where, without in any way causing confusion or deception, a party merely truthfully says that his product has a major characteristic (smell) like that of a well-known product which is protected by a trade mark?

5) Where a trader uses a sign which is similar to a registered trade mark which has a reputation, and that sign is not confusingly similar to the trade mark, in such a way that:

(a) the essential function of the registered trade mark of providing a guarantee of origin is not impaired or put at risk;

(b) there is no tarnishing or blurring of the registered trade mark or its reputation or any risk of either of these;

(c) the trade mark owner's sales are not impaired; and

(d) the trade mark owner is not deprived of any of the reward for promotion, maintenance or enhancement of his trade mark;

(e) but the trader gets a commercial advantage from the use of his sign by reason of its similarity to the registered mark, does that use amount to the taking of an "unfair advantage" of the reputation of the registered mark within the meaning of Article 5 (2) of [Directive 89/104]?

It appeared from the questions and the Court's reference ruling that the Court of Appeal considered the practice essentially acceptable. The ECJ disagreed and ruled as follows:

1. Article 5 (2) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks must be interpreted as meaning that the taking of unfair advantage of the distinctive character or the repute of a mark, within the meaning of that provision, does not require that there be a likelihood of confusion or a likelihood of detriment to the distinctive character or the repute of the mark or, more generally, to its proprietor. The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an advantage taken unfairly by that third party of the distinctive character or the repute of that mark where that party seeks by that use to ride on the coat-tails of the mark with a reputation in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image.

2. Article 5 (1) (a) of Directive 89/104 must be interpreted as meaning that the proprietor of a registered trade mark is entitled to prevent the use by a third party, in a comparative advertisement which does not satisfy all the conditions, laid down in Article 3a (1) of Council Directive 84/450/EEC of 10 September 1984 concerning misleading and comparative advertising, as amended by Directive 97/55/EC of the European Parliament and of the Council of 6 October 1997, under which comparative advertising is permitted, of a sign identical with that mark in relation to goods or services which are identical with those for which that mark was registered, even where such use is not capable of jeopardising the essential function of the mark, which is to indicate the origin of the goods or services, provided that such use affects or is liable to affect one of the other functions of the mark.



BARDEHLE
PAGENBERG
DOST
ALTENBURG
GEISSLER

3. Article 3a (1) of Directive 84/450, as amended by Directive 97/55, must be interpreted as meaning that an advertiser who states explicitly or implicitly in comparative advertising that the product marketed by him is an imitation of a product bearing a well-known trade mark presents 'goods or services as imitations or replicas' within the meaning of Article 3a (1) (h). The advantage gained by the advertiser as a result of such unlawful comparative advertising must be considered to be an advantage taken unfairly of the reputation of that mark within the meaning of Article 3a (1) (g).

Remarks:

The ruling and many of the broad statements found in the judgment come as a surprise. The ECJ's rather indifferent approach to trademark protection in some earlier cases had led many to believe that the Court might follow the referring court's inclinations.

The opposite is true:

- Trademarks are protected not only against likelihood of confusion as to origin (when the marks are merely similar), but also against interference with the advertising, communication and investment function (when the marks are identical or the earlier mark has a reputation).
- The marketing of smell-alike perfumes with comparison lists ("smells like ...") constitutes unlawful comparative advertising with "imitations and replicas".
- Where unlawful comparative advertising makes use of another's trademark, remedies are not limited to unfair competition remedies (which, at least in the UKI, do not include civil actions), but the trademark proprietor may sue for trademark infringement.

A breath of "fresh air" from Luxembourg.

Reported by
Dr. Alexander von Mühlendahl, LL.M.

8. European Court of Justice: Protection of geographical indications – coexistence of geographical indications and trademarks (Decision of July 2, 2009 – Case C-343/07 – Bavaria NV v. Bayerischer Brauerbund e.V. – Bayerisches Bier)

European Community legislation grants protection to geographical indications in situations where the link between product and territory is direct ("designations of origin") and also where the link is based on tradition and reputation, even though the product may be produced elsewhere with the same qualities and characteristics ("geographical indications"). As regards the conflict between protected indications or designations and trademarks, the Community rules provide for co-existence in case of validly registered earlier trademarks.

When the special protection was first introduced in 1992 (Regulation 2081/92), Member States had a period of six months to notify their designations and indications to the European Commission. Germany included the geographical indication "Bayerisches Bier" (Bavarian Beer). Bavarian beer enjoys its reputation and fame not as the result of particular geological or geographical conditions prevailing in Bavaria, but as the result of tradition and skill. The protection was disputed because of the existence of the trademark "BAVARIA", protected in a number of European countries for the Dutch brewing company Bavaria NV, but finally granted by Regulation 1347/2001.



Thereafter the Bayerische Brauerbund, an organisation of Bavarian brewing companies, proceeded against Bavaria NV to obtain cancellation of the BAVARIA trademark and cessation of its use.





In Italy, the first instance court granted the relief sought. The Torino appeals court, having doubts about the validity of the protection granted to “Bayerisches Bier” referred the following questions to the ECJ:

(1) Is Council Regulation (EC) No 1347/2001 ... invalid, possibly as a consequence of the invalidity of other acts, in light of the following:

Breach of general principles

– the invalidity of Article 1 (1) of Regulation (EEC) No 2081/1992, read in conjunction with Annex I thereto, in so far as it permits the registration of geographical indications relating to “beer”, which is an alcoholic beverage listed (wrongly) in that Annex as one of the “foodstuffs” referred to in Article 1 (1), but which is not one of the “agricultural products” listed in Annex I to the EC Treaty and referred to in Article 32 (formerly Article 38) and Article 37 (formerly Article 43) thereof, which the Council took as the legal basis for its competence to adopt Regulation (EEC) No 2081/1992;

– the invalidity of Article 17 of Regulation (EEC) 2081/1992 in so far as it provides for an accelerated registration procedure under which the rights of interested parties are substantially limited and impaired, in so far as it makes no provision for a right of opposition, in clear breach of the principles of transparency and legal certainty, as is evident in particular from the complexity of the procedure for registering “Bayerisches Bier”, the [PGI] at issue, which took more than seven years from 1994 to 2001, and from the express acknowledgment to that effect in recital 13 in the preamble to Regulation (EC) No 692/2003, Article 15 of which repealed – for those reasons – Article 17 of Regulation (EEC) No 2081/1992;

Failure to comply with procedural requirements

– the failure of the indication “Bayerisches Bier” to satisfy the conditions laid down in Article 17 of Regulation 2081/1992 for eligibility for registration in accordance with the simplified procedure provided for therein, in that, at the time when the application for registration was submitted, that indication was not a “legally protected

name” in Germany, nor had it been “established by usage” there;

– the fact that the question whether the preconditions had been met for registration of the indication “Bayerisches Bier” was not given due consideration either by the German Government before submitting the application or by the Commission itself after receiving that application, contrary to the requirements established by the case-law of the Court of Justice (Case C 269/99 Carl Kühne and Others [2001] ECR I 9517);

– the fact that the application for registration of the indication “Bayerisches Bier” was not submitted in good time by the German Government in accordance with Article 17 (1) of Regulation No 2081/92 (six months after the date of entry into force of the Regulation, which took place on 24 July 1993), it being also the case that the subject-matter of the application initially submitted by the applicant company envisaged eight varying indications – with a reservation as to the possibility of later variations of an unspecified nature – which did not coalesce to form the current single indication “Bayerisches Bier” until well after the deadline on 24 January 1994;

Failure to comply with substantive requirements

– failure of the indication “Bayerisches Bier” to satisfy the substantive requirements laid down in Article 2 (2) (b) of Regulation No 2081/1992 for registration as a [PGI], given the generic nature of that indication, which has historically designated beer produced in accordance with a particular method of production which originated during the nineteenth century in Bavaria, whence it spread throughout Europe and the rest of the world (the method known as “the Bavarian method”, based on bottom-fermentation), and which even today in a number of European languages (Danish, Swedish, Finnish) is used as a generic term for beer and which, in any case, can at most identify, solely and generically, from among the numerous varieties of beer in existence any type of “beer produced in the German Land of Bavaria”, there being no “direct link” (Case C 312/98 Warsteiner Brauerei [2000] ECR I 9187) between a specific quality, reputation or other characteristic of the product (beer) and its



specific geographical origin (Bavaria), nor evidence that this is one of the “exceptional cases” required under Article 2 (2) (b) of Regulation (EEC) No 2081/1992 in order for it to be permissible to register a geographical indication containing the name of a country;

– the fact that, as emerges from the preceding paragraph, the indication “Bayerisches Bier” is a “generic” indication, and as such ineligible for registration pursuant to Articles 3 (1) and 17 (2) of Regulation (EEC) 2081/1992;

– the fact that registration of the indication “Bayerisches Bier” should have been refused pursuant to Article 14 (3) of Regulation (EEC) 2081/1992, since, in the light of the “reputation and renown” of the Bavaria marks and “the length of time [they have] been used”, registration was “liable to mislead the consumer as to the true identity of the product”?

(2) In the alternative, if Question [1] is held inadmissible or unfounded, should ... Regulation No 1347/2001 ... be construed as meaning that recognition of the [PGI] “Bayerisches Bier” is to have no adverse effects on the validity or usability of pre-existing marks of third parties in which the word “Bavaria” appears?

The ECJ gave the following answers:

1. Consideration of the first question asked by the referring court has not disclosed any factor liable to affect the validity of Council Regulation (EC) No 1347/2001 of 28 June 2001 supplementing the Annex to Commission Regulation (EC) No 1107/96 on the registration of geographical indications and designations of origin under the procedure laid down in Article 17 of Council Regulation (EEC) No 2081/92.

2. Regulation No 1347/2001 must be interpreted as having no adverse effects on the validity and the possibility of using, in one of the situations referred to in Article 13 of Council Regulation (EEC) No 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs, pre-existing trade marks of third parties in which the word ‘Bavaria’ appears and which were registered in good faith before the date on which the

application for registration of the protected geographical indication ‘Bayerisches Bier’ was lodged, provided that those marks are not affected by the grounds for invalidity or revocation as provided for by Article 3 (1) (c) and (g) and Article 12 (2) (b) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks.

The case will now go back to the Italian courts to determine whether the trademark BAVARIA was indeed validly registered originally. A similar case has made its way through the German courts. When it reached the Federal Supreme Court (Bundesgerichtshof), that court also referred questions to the ECJ which the ECJ still has to deal with.

Reported by
Dr. Alexander von Mühlendahl, LL.M.

9. European Court of Justice: Community trademarks and Madrid marks extended to the European Community enjoy equal protection under the customs seizure rules (Decision of July 2, 2009 – Case C-302/08 – Zino Davidoff SA v Bundesfinanzdirektion Südost – Davidoff)

When Davidoff sought to obtain European-wide protection under the customs rules for border seizure of goods suspected of infringing 12 marks registered under the Madrid Protocol and extended to the European Community, the local German customs authority refused, arguing that the term “Community trade mark” in the customs rules did not include Madrid Protocol marks extended to the European Community. Davidoff appealed to the German Finance Court, which referred the following question to the ECJ.



“In the light of the accession of the Community to the [Protocol], is Article 5 (4) of Regulation [No 1383/2003] to be interpreted as meaning that, despite the use of the term “Community trademark”, marks with international registrations within the meaning of Article 146 et seq. of Regulation [No 40/94], are also covered?”

The ECJ answered as follows:

Article 5 (4) of Council Regulation (EC) No 1383/2003 of 22 July 2003 concerning customs action against goods suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights, read in the light of Article 146 of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark, as amended by Council Regulation (EC) No 1992/2003 of 27 October 2003, is to be interpreted as allowing the holder of an internationally registered trade mark to secure action by the customs authorities of one or more other Member States, besides that of the Member State in which it is lodged, just like the proprietor of a Community trade mark.

Remark

The answer is straightforward, and what is surprising is that the customs authority and the German court had any doubts in this regard.

Reported by
Dr. Alexander von Mühlendahl



10. European Court of Justice: Protection of state symbols against “heraldic imitations” – Protection under European law includes use of state symbols for services (Decision of July 16, 2009 – Joined Cases C-202 & 208/08 P – American Clothing Associates NV v OHIM and OHIM v American Clothing Associates NV – Maple Leaf)

American Clothing had sought registration of the following mark for a series of goods and services in cl. 18, 25, and 40:



OHIM had refused the application because of a conflict with the Canadian state emblem which consists of a Maple Leaf.



American Clothing appealed to the Court of First Instance. In its decision of February 28, 2009, the CFI rejected the appeal as far as the goods were concerned, but concluded as far as the services were concerned that Article 6ter of the Paris Convention did not apply because that provision was limited to goods. Both American Clothing and OHIM appealed.

The ECJ accepted the conclusions of the CFI that the contested CTM application constituted, as far as the maple leaf was concerned, a heraldic imitation within the meaning of Article 6ter of the Paris Convention, and the addition of the letters did not avoid the prohibition of registration. As far as the services are concerned, the ECJ annulled the decision of the CFI and rejected American Clothing’s appeal against OHIM’s decision. It based its decision on the finding that the Paris Convention provided only for minimum protection and that the European legislator had extended the prohibitions beyond goods also to services.

Reported by
Dr. Alexander von Mühlendahl, LL.M.



BARDEHLE
PAGENBERG
DOST
ALTENBURG
GEISSLER

11. German Federal Supreme Court on the preconditions a colour combination has to fulfil for claiming trademark protection acquired by use (secondary meaning) (Decision of February 19, 2009 – Case I ZR 195/06 – UHU)

On February 19, 2009, the Federal Supreme Court decided that a sign claiming trademark protection due to secondary meaning according to Section 4 (2) Trademark Act, does not have to be capable of being represented graphically according to Section 8 (1) Trademark Act. However, both the systematic arrangement and the proportions of the colours included in the trademark must be clearly and unambiguously identified.

The claimant, a manufacturer and distributor of glues under the trademark “UHU”, sued the defendant for distributing identical goods under the label “PERFECT”, using the colours yellow, black, red (and white) – similar to the “UHU” colours – for the glue’s collapsible tube and the packaging, as shown below:



The claimant asserted claims allegedly conferred by a German colour trademark right acquired for glues through use (secondary meaning) in any combination of the colours yellow and black, if – as requested by the claimant – the proportion of the yellow colour goes beyond the black colour’s proportion. The claimant’s range of glues (tubes and packaging) is mainly in the colours yellow and black, with the yellow colour prevailing. However, there are also get-ups offered by the claimant using – additionally – the colours white, red, blue and/or green, as exemplarily shown below:



The Federal Supreme Court decided that the claimant’s colour combination yellow /black shall not be granted trademark protection due to secondary meaning according to Section 4 (2) Trademark Act, although the claimant was market leader in the years 1987 through 2003, keeping a corresponding market share between 72% and 89% in the field of “all-purpose glues” and a market share between 41% and 50% in the field of “superglues”.

Indeed, the Court held that any kind of trademark acquired through use – including such as the underlying colour combination seeking trademark protection – is not covered by Section 8 (1) Trademark Act (stating that signs which are not capable of being represented graphically are excluded from registration and thus from trademark protection as such). According to the Court, this requirement of graphical representation is merely linked to registration as such, where a graphical representation is necessary for a trademark to be displayed on the register and to express its scope of protection to the public. Thus, the Court concluded that the existence of a mark acquired through use cannot be denied solely for not being capable of being represented graphically.

However, independent of the aforesaid, a colour combination claiming trademark protection due to secondary meaning as a mark acquired through use must – first – meet the general criteria of signs of which a trademark may consist (Section 3 Trademark Act) and – second – must have acquired secondary meaning. In this respect, the Court held that the underlying colour combination described as “yellow and black, while the proportion of the yellow colour exceeds the black colour’s proportion” is no protected subject matter of trademark law, since the concrete colour combination does not meet the criteria of the principle of clarity and definiteness.

Even signs seeking trademark protection without registration by claiming secondary meaning must be defined unambiguously, since secondary meaning always corresponds to a concrete sign, rather than to abstract single elements. Thus, it would have been the claimant’s task to concretely describe the systematic arrangement of the colours (e.g., regarding the background colours and the colours of



the printed words) and the proportion of the respective colours included in the sign. Merely naming two colours that can be used in any arrangement and combination, even with other colours – does not suffice for acquiring trademark protection by secondary meaning.

Reported by Verena Wintergerst, LL.M.



12. German Federal Supreme Court: Owners of an eBay account can be held directly liable for IP infringement caused by misuse of such account if access information has not been kept safe (Decision of March 11, 2009 – Case I ZR 114/06 – Halzband/Collar)

The German Federal Supreme Court established a new concept of liability related to IP infringements caused by users of online market places: Users of internet accounts are obliged to keep the access information safe. If they do not comply with this obligation and, as a consequence, another person uses the account for offers infringing IP rights without the account owner's consent, the latter is directly liable for such infringements.

In the past, the Federal Supreme Court had based the liability related to infringing offers placed by users of online services on the German legal concept of “Störerhaftung”, in the sense of a contributory liability. Recently, German courts tend to give up this concept and establish a new concept of liability making access providers liable once they do not comply with their obligation to monitor and/or prevent infringements (see IP Report 2009/II). In the “Halzband” case, the Federal Supreme Court establishes a third concept of liability – the obligation to keep access information safe.

In this case, Cartier claimed trademark infringement and unfair competition practices against the defendant, an eBay user on whose account an imitation of a Cartier collar (“Halzband”) was offered. The offer indicated that the imitation was originally made by Cartier (“simwol fon Cartier”). As this offer was not placed by the defendant but by his wife (who had used the account without the defendant's knowledge), the key issue of the decision was whether the defendant could be held liable for offers placed by his wife – even if he had no knowledge and did not participate in the infringement.

The Court emphasizes that safekeeping of access information is of outstanding importance, as the public, in particular the owners of IP rights, need to know which (natural) person acted under the alias name or user name so that this person can be identified and made liable. As the defendant did not comply with this obligation of safekeeping, the Federal Supreme Court held that he is directly liable for the infringement of third parties' intellectual property rights caused by the use of his account.

Remarks

The “Halzband” decision demonstrates, again, that German case law is much in favour of the rights owners when infringements occur on internet platforms. In particular, the decision imposes strict safekeeping requirements for internet users. As a consequence, internet users are not likely to succeed in proceedings before German courts arguing and pretending that “someone else” used their alias name and account. Therefore, rights owners are protected by German case law. They can rely on having at least the owner of the account to be held responsible – even if the account owner can provide evidence of not having placed or published the infringing material. In this case, users are still liable under the third concept of liability – a violation of safekeeping obligations.

Reported by Pascal Böhner





13. German Federal Supreme Court holds that the trademarks “POST” and “OP OSTSEE-POST”/“OSTSEE-POST” are dissimilar (Case I ZR 78/06 – OST-SEE-POST/Post of the Baltic Sea).

Further to its earlier “CITYPOST”-decision (reported in IP-Report 2008-IV), the German Federal Supreme Court now rendered four new decisions in infringement proceedings initiated by the Deutsche Post AG against its competitors for use of the designation “POST”, namely as regards the use of “RegioPost” (Case I ZR 209/06), “Regionalpost Delmenhorst” (Case I ZR 111/06), “Turbo P.O.S.T.” (Case I ZR 110/06) and “OSTSEE-POST” (Case I ZR 78/06). In all four cases the Court denied claims of the Deutsche Post AG.

In “OSTSEE-POST” the Court held that a trademark holder’s monopoly for the production of goods or for rendering certain services – a monopoly which the Deutsche Post AG and its predecessor, the Deutsche Bundespost, had for many years in respect of delivery services – does not per se negatively influence the degree of distinctiveness of a trademark. Notwithstanding this, a monopoly may lead to the relevant public’s perception of the sign not as a trademark, but as a descriptive term. The earlier decision had not made any assessment on this point, and thus the question remained unanswered.

In any event, a monopoly has to be considered when assessing whether use of the sign by third parties happens “without justifying reason” – in the sense of an eligible interest – as provided in Section 23 No. 2 (use of descriptive signs) and in Section 14 (2) No. 3 (protection of well-known trademarks) Trademark Act. In light of the liberalization of the German post market, the Court found that the competitors have an eligible interest in using the term “POST” insofar as it is used in combination with other terms to create a clear distance to the plaintiff’s signs, and as far as they do not use the term, in combination with other trademarks of the plaintiff (post horn, colour yellow).

Although a survey conducted by Deutsche Post AG demonstrated that more than 80 % of the German consumers believe that the term “POST” refers

to the Deutsche Post AG, the Court decided that the word mark “POST”, owned by the Deutsche Post AG, does not have a high degree of distinctiveness, arguing that the term “POST” was clearly descriptive in respect of the goods and services in question. However, the Court clarified that trademarks that acquired distinctiveness, in general, have an average degree of distinctiveness. Only under specific circumstances was a low degree of distinctiveness discerned. As the earlier decision had not made any comment on this point, the Court assumed an average degree of distinctiveness of the word mark “POST”.

The Court confirmed the Appeal Court’s assessment that the signs in dispute were dissimilar and therefore the claims based on the plaintiff’s trademarks and/or company name were deemed unfounded. This is particularly interesting, because according to German and European trademark principles, the fact that an older trademark as a whole is part of a younger trademark, may lead to likelihood of confusion between the signs (see “THOMSON LIFE”). The Court clarified that this principle was only applicable if the earlier mark – without necessarily dominating the overall impression of the composite sign – has an independent position in the composite sign, and if the earlier mark is perceived by the relevant public as a distinctive part of the composite sign. The Court held that the term “POST”, being clearly descriptive for delivery services, is not a distinctive part of the contested signs “OP OSTSEE-POST” and “OSTSEE-POST”. The same is true for the series of trademarks of the plaintiff including the term “POST”.

Finally, the Court stated that claims based on the Trademark Act, on the one side, and claims based on the Unfair Competition Act, on the other side, in general, concern two separate matters in dispute. In the subject case, the claimant introduced claims based on Section 5 (2) Unfair Competition Act for the first time in proceedings before the Federal Supreme Court. Consequently, the Court – being exclusively an instance for review of the appeal decision on legal aspects – held that it was not entitled to assess whether claims may derive from provisions that have not been discussed in the lower instances .



Remarks:

The Court's most recent case law is of utmost importance for competitors of the Deutsche Post AG as it clarifies that – independent from the final outcome in the cancellation proceedings concerning the word mark “POST” – companies providing delivery services, also referred to as postal services, generally are entitled to use the designation “POST” as part of their trademarks and company names.

The decision also clarifies that a monopoly on providing certain services has to be considered when determining likelihood of confusion between two signs. However, the Court held that competitors who use the term “POST” together with other trademarks of the Deutsche Post AG (e.g. post horn and/or the colour yellow), may not rely on an eligible interest in use of the term “POST”. In this respect, it remains unclear whether use of the designation “POST” in combination with a post horn, but without the colour yellow, would be considered to cause likelihood of confusion or unfair business practice. Given that the German trademark law generally denies protection of a motive per se (e.g. the depiction of a post horn), one should believe that postal services can be promoted with a post horn. However, the subject decision hints at the opposite direction.

Reported by Philippe Kutschke



14. European Court of Justice: First decision on reference for a preliminary ruling in Community design matters – ownership of design right in cases of commissioned works (Decision of July 2, 2009 – Case C-32/08 – FEIA v Cul de Sac Espacio Creativo SL, Acierta Product & Position SA)

On July 2, 2009, the European Court of Justice decided on the very first reference for a preliminary ruling related to the Community design regime, ruling that Article 14 (3) Community Design Regulation (CDR) does not apply to Community designs that have been produced as a result of a commission. Further: In circumstances such as those of the main proceedings, Article 14 (1) CDR must be interpreted as meaning that the right to the Community design vests in the designer, unless it has been assigned by way of contract to his successor in title.

The reference for a preliminary ruling under Article 234 EC came from the Juzgado de lo Mercantil n° 1 de Alicante y n° 1 de Marca Comunitaria (Spain) and related to the interpretation of Article 14 (1) and (3) CDR. Article 14 CDR, entitled “Right to the Community design”, provides in paragraphs 1 and 3:

1. The right to the Community design shall vest in the designer or his successor in title. (...)
3. However, where a design is developed by an employee in the execution of his duties or following the instructions given by his employer, the right to the Community design shall vest in the employer, unless otherwise agreed or specified under national law.

In the absence of any further guidance as to the specific meaning and scope of these provisions, the Spanish Court referred the following questions to the ECJ:

- (1) Must Article 14 (3) CDR be interpreted as referring only to Community designs developed in the context of an employment relationship where the designer is bound by a contract governed by employment law whose provisions are such that the designer works under the direction and in the employ of another? or
- (2) Must the terms “employee” and



“employer” in Article 14 (3) CDR be interpreted broadly so as to include situations other than employment relationships, such as a relationship where, in accordance with a civil/commercial contract (and therefore one which does not provide that an individual habitually works under the direction and in the employ of another), an individual (designer) undertakes to execute a design for another individual for a settled price and, as a result, it is understood that the design belongs to the person who commissioned it, unless the contract stipulates otherwise? (3) In the event that the answer to the second question is in the negative, on the ground that the production of designs within an employment relationship and the production of designs within a non-employment relationship constitute different factual situations:

(a) Is it necessary to apply the general rule in Article 14 (1) CDR and, consequently, must the designs be construed as belonging to the designer, unless the parties stipulate otherwise in the contract? Or

(b) Must the Community design court rely on national law governing designs in accordance with Article 88 (2) CDR?

(4) In the event that national law is to be relied on, is it possible to apply national law where it places on an equal footing (as Spanish law does) designs produced in the context of an employment relationship (the designs belong to the employer, unless it has been agreed otherwise) and designs produced as a result of a commission (the designs belong to the party who commissioned them, unless it has been agreed otherwise)?

(5) In the event that the answer to the fourth question is in the affirmative, would such a solution (the designs belong to the party who commissioned them, unless it has been agreed otherwise) conflict with the negative answer to the second question?”

The ECJ, in preparing the first answer and looking at the wording of Article 14 (1) and Article 14 (3) CDR, refused to interpret the terms “employer” and “employee” broadly in order to apply the provisions also to commissioned designs. Legislative history showed that when drafting Article 14 (3) CDR, it was decided to use the term

“employer” to refer to the proprietor of the Community design developed in the context of an employment relationship rather than the much broader term “principal”. As regards the term “employee”, the Court pointed to the fact that in Article 14 (3) CDR the Community legislature did not decide to use the much broader term “agent” to refer to the person who develops a design. Accordingly, said the Court, the term “employee” refers to the person who works under the instructions of his “employer” when developing a Community design in the context of an employment relationship.

As regards the part of Article 14 (3) CDR, stating “unless otherwise agreed or specified under national law”, the Court concluded that this enables the parties to an employment contract to designate “the employee” as the proprietor of the design, and gives the Member States the option of stipulating in their national legislation that the “employee” is to be the proprietor of a Community design, provided that in both those cases the design has been developed in the context of an employment relationship. Consequently, the Community legislature intended to define the special system set out in Article 14 (3) CDR by reference to a specific type of contractual relationship, namely that of an employment relationship, which precludes the application of Article 14 (3) CDR to other contractual relationships, such as that relating to a Community design that has been produced as a result of a commission.

In the light of all the above considerations, the answer to the first and second questions was that Article 14 (3) CDR does not apply to a Community design that has been produced as a result of a commission.

Prior to the second answer, the Court ruled that the terms “designer” and “successor in title” (Article 14 CDR), making no express reference to the law of the Member States for the purpose of determining its meaning and scope, must normally be given an autonomous and uniform interpretation throughout the Community, having regard to the context of the provision and the objective pursued by the legislation in question. If those terms were to be interpreted differently in the various Member States, the same



BARDEHLE
PAGENBERG
DOST
ALTENBURG
GEISSLER

circumstances could mean that in some Member States the right to the Community design belongs to the designer and in others to his successor in title. In that case, the protection afforded to the Community designs would not be uniform throughout the entire territory of the Community.

Consequently, and pursuant to Article 1 (3) CDR, a design is not to be transferred, save in respect of the whole Community, unless otherwise provided in the regulation. As regards the transfer of the right to a Community design from the designer to his successor in title within the meaning of Article 14 (1) CDR, the possibility of such a transfer is implicit from the wording of that article, according to the Court, and includes contractual assignment.

However, according to the Court, it is for the national court to ascertain the contents of such a contract, and to determine in this regard whether the right to the unregistered Community design has in fact been transferred from the designer to his successor in title. In particular, this does not preclude the national court from applying the law on contracts in order to determine who owns the right to the unregistered Community design, in accordance with Article 14 (1) CDR. In the light of the answer to part (a) of the third question, the Court deemed it neither necessary to answer part (b) of that question, nor the fourth or fifth questions.

Reported by Dr. Henning Hartwig



IMPRINT

The "BARDEHLE PAGENBERG IP Report" is published by Patent- und Rechtsanwälte BARDEHLE PAGENBERG
Galileiplatz 1, 81679 München
Tel. +49 (0)89 92805-0
Fax: +49 (0)89 92805-444
www.bardehle.com

Editor:
Dr. Henning Hartwig

The "BARDEHLE PAGENBERG IP Report" provides information and comments on legal issues and developments of interest in the field of industrial property. Nothing in this newsletter constitutes legal advice. Intellectual property laws and systems are multifaceted and intricate, and regarding any problem or matter, we urge you to obtain professional advice before taking any action with respect to any information contained in this newsletter. BARDEHLE PAGENBERG assumes no responsibility for information contained in this newsletter or on the website www.bardehle.com and disclaims all liability with respect to such information.

The following is information requested by § 6 of the German Law on Teleservices: The European Patent Attorneys of BARDEHLE PAGENBERG are members of the European Patent Institute (epi, <http://www.patentepi.com/>) and as such subject to its Code of Professional Conduct, (<http://www.patentepi.com/english/100/120/>) and the Regulation on Discipline issued by the Administrative Council of the European Patent Organisation (<http://www.patentepi.com/english/100/120/>)

Unless otherwise specified, the term "Patent Attorney" on the website www.bardehle.com refers to German Patent Attorneys. BARDEHLE PAGENBERG Patent Attorneys are registered at the German Patent and Trademark Office and members of the German Patent Attorneys Association (<http://www.patentanwalt.de/>). German Patent Attorneys are subject to the professional rules laid down in the Patentanwaltsordnung (PatanwO) [German Patent Attorney Code], which can be reviewed in German at <http://jurcom5.juris.de>, and in the Berufsordnung der Patentanwälte BOPA [Code of Conduct for Patent Attorneys] which can be downloaded as pdf file in German here.

BARDEHLE PAGENBERG German attorneys at law are members of the Bar Association in the district of the Higher Regional Court in Munich (<http://www.rechtsanwaltskammer-muenchen.de/>), Germany, unless specified otherwise. They are subject to the Bundesrechtsanwaltsordnung (BRAO) [German Attorney at Law Code], the Berufsordnung der Rechtsanwälte (BORA) [Code of Conduct for German attorneys at law] and the Rechtsanwaltsvergütungsgesetz (RVG) [Code of Lawyers' Fees]. These German rules and laws can be reviewed (in German) at <http://www.brak.de/> under "Angaben gemäß § 6 TDG".

Moreover, the Code of Conduct for Lawyers in the European Community issued by the CCBE (Council of the Bars and Law Societies of the European Community) <http://www.ccbe.org/UK/publications.htm> is applicable to all lawyers of BARDEHLE PAGENBERG.