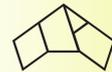


# IP Report

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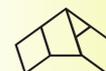
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## Alexander von Mühlendahl receives award for his lifetime achievement and top trademark lawyer guide nomination



The “WTR Industry Award” recognizes outstanding work carried out by trademark counsel, and identifies the teams and individuals that are performing their functions to the highest possible standards. Each year, on occasion of the Annual Meeting of the International Trademark Association (INTA), the “World Trademark Review” (WTR) presents the annual WTR Industry Awards at an exclusive champagne reception. This year’s ceremony was held at The Harvard Club, Boston, on Tuesday evening, May 25, 2010.

The final award presented on the night is for Alexander von Mühlendahl’s “Lifetime Achievement”, as the only award open to candidates who are not in-house counsel. This is the first time WTR has awarded an individual in private practice in the trademark field.

Alexander von Mühlendahl has also been nominated for inclusion in the trademark chapter of the International Who’s Who of Business Lawyers published by Who’s Who Legal. With his inclusion, the BARDEHLE PAGENBERG firm will be among the very few firms worldwide (in any field of the law) boasting three of its members in this elite group of practitioners, the others being Jochen Pagenberg and Peter Munzinger.

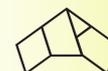
Before joining the ranks of BARDEHLE PAGENBERG, Alexander von Mühlendahl, Dr. iur, JD, LL.M. (Northwestern) served as vice president of OHIM where he supervised the introduction of the Community Trademark and the Community Design in the EU. Earlier in his career, at the German Ministry of Justice, he was responsible for drafting the reformed German Trademark Act after reunification. In his current capacity as attorney-at-law, he frequently represents the firm’s clients before the European and German courts. He is an active member of INTA and honorary member of ECTA, the European Communities Trademark Association.

## 1. German Federal Supreme Court: A publication in which a chemical compound is described without any other statements relating to a specific enantiomer does not clearly reveal to the skilled person that the disclosed teaching also includes individual enantiomers (decision of September 10, 2009 – Case Xa ZR 130/07 – Escitalopram)

**The Federal Supreme Court states that a publication from which it is apparent that there must be enantiomers of a chemical compound does not directly and clearly reveal the enantiomers themselves, unless the publication makes it easily possible for the person skilled in the art to obtain these enantiomers. A marketing authorisation for a medicinal product that contains a chemical compound in racemate form as the active ingredient does not preclude the issuance of a supplementary protection certificate for a medicinal product which contains an enantiomer of the same compound.**

On September 10, 2009, the Federal Supreme Court had to decide on the question of patentability of a claim directed to an enantiomer vis-a-vis prior art disclosing the racemate of the same compound. In the decided case, an earlier document showed the antidepressant citalopram. The effect of citalopram is based on the very selective inhibition of the reuptake of serotonin. The Federal Supreme Court stated that the cited prior art only mentioned the racemate citalopram, but gave no hint to the enantiomers of the compound. As stated in the decision „Olanzapin“ of the Federal Supreme Court, the ability of a person skilled in the art to produce several compounds must not be put on the same level as the disclosure of these compounds. Moreover the disclosed content of a document only includes subject-matter which, from the viewpoint of the skilled person, can be taken directly and clearly from the document. The person skilled in the art was able to realise that there must be two enantiomers of citalopram. However, this does not lead to a disclosure anticipating novelty of the patent-in-suit.

Moreover, the teaching of the patent-in-suit was considered to be based also on inventive step. The technical problem underlying the patent-in-suit is not



expressly stated in the description of the patent-in-suit. Against this background, the German Federal Patent Court in the lower instance had deemed the technical problem to be solved by the patent to be the provision of both enantiomers in a form separated from each other. According to the Federal Supreme Court, this fell short of the legal requirement. The person skilled in the art was faced with the problem of providing a substance that was suitable for use as an antidepressant and that was an alternative to citalopram. The decision in favour of the enantiomer escitalopram thus was already part of the solution. The Federal Supreme Court came to the conclusion that the knowledge of different effects of enantiomers did not result in an overwhelming need to provide the enantiomers at the day of priority.

In the opinion of the Federal Patent Court, in order to separate the enantiomers the person skilled in the art would have considered the methods known for forming diastereomeric salts with chiral acids and subsequent fractional crystallisation. In this way, the person skilled in the art would have obtained the claimed enantiomer with little effort.

The Federal Supreme Court did not follow this argumentation of the Federal Patent Court. Although the enantiomers of citalopram are expressly mentioned in earlier publications, and it was expected that escitalopram could be more effective than its antipode, they did not, however, enable the person skilled in the art to obtain one of the enantiomers. Even if it had been rendered obvious by the publications to search for ways to arrive at the enantiomers, it was not apparent from citations how this could have been done. The Federal Supreme Court was not convinced that the person skilled in the art would have been able to obtain escitalopram on the day of priority.

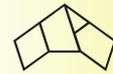
Finally, escitalopram was considered to be a product different from the racemate in the sense of Article 1 b.) of EC regulation 469/2009 which also concerns supplementary certificates (SPC) for medical products. The citalopram racemate can not be considered as being escitalopram with a degree of purity of 50%. Both enantiomers are active ingredients, irrespective of whether they have positive or

negative effects. Therefore, the racemate is a different combination of active ingredients. As a consequence, the grant of an SPC for a racemate does not preclude a grant of an SPC for enantiomers, provided that the enantiomer itself is protected by a patent.

This decision is in line with the former decision “Olanzapin” of the Federal Supreme Court. Here it was stated that features are not disclosed if they are not shown explicitly and can only be discerned with applying the common knowledge of the person skilled in the art. In addition, the present decision is a step towards the case law of the European Patent Office concerning patentability of enantiomers. Moreover, the present decision opens the way for the grant of an SPC for an enantiomer if an SPC already has been granted for the respective racemate. However, a precondition for this is that the enantiomer is protected by a different patent.



Reported by  
Dr. Christopher Brückner



**2. German Federal Supreme Court on independent pre-trial proceedings for preserving evidence (decision of November 16, 2009, Case X ZB 37/08 – Lichtbogenschnürung/Electric arc lacing)**

**A written court expert opinion which was rendered in independent pre-trial proceedings for preserving evidence with respect to a presumed patent infringement may generally be disclosed to the attorney-at-law and the patent attorney of the claimant (the patent owner) regardless of any secrecy interests of the defendant (the presumed infringer) if the attorneys of the claimant are obliged to secrecy vis-à-vis the claimant and third parties.**

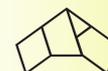
In the present case, the claimant, owner of a German method patent, suspected that the defendant infringes his patent on the basis of information disclosed in a doctorate thesis. However, the claimant came to the conclusion that the doctorate thesis was insufficient to fully establish and prove the presumed infringement, and that further information and evidence was needed with respect to the presumably infringing method which was not publicly accessible, but only used at the defendant's production site. Therefore, by way of independent pre-trial proceedings for preserving evidence, the claimant requested a court order that a court expert be commissioned to inspect the presumably infringing method at the production site of the defendant. Further, the claimant requested that his attorneys may be present during the inspection and ordered to be obliged to secrecy vis-à-vis the claimant and third parties.

Following the request, the District Court of Munich I accordingly commissioned a court expert and ordered the defendant to tolerate the inspection and the presence of the claimant's attorneys under a secrecy obligation. However, after the court expert had rendered his expert opinion to the Court, the Court refused to disclose several parts thereof to the attorneys of the claimant, although the claimant again requested an obligation of his attorneys to secrecy vis-à-vis himself and third parties, in order to at least exercise some influence via his attorneys on the court's decision that the court expert opinion be finally disclosed to him.

The Munich Appeal Court confirmed the first instance decision on appeal of the claimant, and admitted a further legal appeal to the Federal Supreme Court. The claimant filed such legal appeal and the Federal Supreme Court lifted the decision of the Appeal Court, ordering the remaining parts of the court expert opinion to be disclosed to the claimant's attorneys and obliging them to secrecy vis-à-vis the claimant and third parties.

The Federal Supreme Court held that attorneys-at-law and patent attorneys are not only party representatives, but also "independent organs of the judiciary". Therefore, it could be expected that they will not violate a court order to secrecy, all the more so since such violation would entail a liability under criminal law. The Federal Supreme Court further explained that an attorney having received confidential information under a court order to secrecy was generally not allowed to discuss or disclose the confidential information (in the present case the confidential parts of the written court expert opinion), with his client as long as the court order to secrecy was valid. Thus, when reporting to the client, the attorney had to ensure that the client cannot draw any conclusions as to the content of the confidential information. As a consequence, the Federal Supreme Court found that a court expert opinion prepared during independent pre-trial proceedings for preserving evidence may regularly be disclosed to the attorney-at-law and/or the patent attorney of the claimant regardless of any secrecy interest of the presumed infringer if the respective attorneys are obliged to secrecy vis-à-vis the claimant and third parties.

Concerning the question whether the court expert opinion may finally also be disclosed to the claimant, the Federal Supreme Court noted that this depended on whether and to which extent secrecy interests of the defendant are actually at stake, and whether and to which extent such interests must be respected. In this regard, the Federal Supreme Court also provided guidance as to the requirements for a successful assertion of secrecy interests by the defendant. Generally, it was the defendant bearing the burden of demonstration and proof. Thus, the defendant had to show in detail which



specific information in the court expert opinion was confidential, for which reason and which specific disadvantages such disclosure may entail. Thereupon, a comprehensive balancing of the interests of both parties had to be undertaken by the Court, while any actually given secrecy interests of the presumed infringer did not enjoy any precedence vis-à-vis any interests for information of the claimant.

#### Remarks:

The present decision, which may not only be of interest in patent cases but also in other IP cases, confirms the growing importance over the last years of independent proceedings for taking evidence as a pre-trial measure to collect information and evidence with respect to presumed infringement of IP rights in Germany. It also provides guidance on how to conduct such proceedings.

In particular, the decision essentially confirms the approach which was initially established by the Düsseldorf Courts, and subsequently followed by other German infringement courts: Accordingly, pre-trial measures for preserving evidence may be quickly and efficiently taken in a two-step procedure based on a substantive law claim for inspection of presumably infringing products or methods. In a first step, a court order may be requested for commissioning a court expert to inspect the presumably infringing product or method, and the defendant having to tolerate the inspection, and the claimant's attorneys being ordered to be obliged to secrecy vis-à-vis the claimant and third parties, and they being consequently allowed to be present during the inspection. This allows the claimant's attorneys to assist the court expert in identifying all facts and evidence relevant to the case.

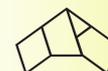
In a second step, once the court expert has rendered his written opinion to the Court, a request may be filed that the opinion be disclosed to the claimant. Since this decision has to take into account any secrecy interests of the defendant, it is generally recommendable to initially request a – regularly available – limited disclosure only to the claimant's attorneys with a corresponding order to secrecy, as in the present case. This approach has

the advantage that the then better informed attorneys of the claimant – knowing the details of the opinion and of the defendant's alleged secrecy interests – may better influence the subsequent decision whether the opinion will finally also be disclosed to the claimant and if it contains sufficient information and proof for the presumed infringement.

Notably, it is in the meantime well established case law that the inspection of a presumably infringing product or method generally encompasses any item needed for closing gaps in the chain of evidence. Subjects of such inspection may be, for example, products, devices, systems, methods, means to execute a method, products obtained by a method, as well as associated documents like construction drawings, instruction manuals, or installation plans. However, the claimant must be able to sufficiently specify the respective subject of the inspection in the request, since untargeted “fishing expeditions” are not allowed under German law. Further, a successful inspection request also requires that the claimant be able to demonstrate and eventually prove that (1) a sufficient likelihood of the presumed infringement exists and (2) that there is no other possibility to obtain the desired information and evidence with reasonable efforts. In practice, both of these hurdles are not overly high. They require, however, a diligent and creative identification and presentation of the available information and evidence relevant in the individual case. In this respect, assistance by experienced counsel may be vital.

Reported by  
Dr. Tilman Müller-Stoy and Jörg Wahl





### 3. German Federal Supreme Court on the interpretation of a patent claim in view of the technical problem stated in the description (decision of February 4, 2010 – Case Xa ZR 36/08 – Gelenkanordnung/Articulation arrangement)

**The determination of the technical problem to be solved by the patent is part of the interpretation of the patent claim. The technical problem has to be developed from what the invention as claimed actually achieves. Statements given in the description of the patent with regard to the “object” of the invention may contain a hint for the correct understanding of the patent claim. However, as is the case with any further content of the patent specification, the patent claim itself precedes such statements.**

The present decision concerns a European patent related to an articulation arrangement for connection of boxes of a multi-unit vehicle, as in particular railway cars. From the prior art, articulation arrangements were known which comprise damping elements integrated in the connection arms as well as deformable, respectively destructible energy dissipating members in order to dissipate the energy arising from an excessive impact, as it may for example occur in case of an accident.

As the problem to be solved, the patent-in-suit mentioned inter alia that the articulation arrangements known from the prior art will be improved in that “also” the energy from an extreme impact can be absorbed. As a particular advantage of the inventive arrangement, the patent-in-suit mentioned that the impacts deriving from the normal train operation as well as impacts occurring in extreme situations can be absorbed by the energy dissipating member. To solve this problem and to achieve the desired advantages, the characterising part of patent claim 1 included the only feature that the energy dissipating member is integrated “free from play” in one of the articulated arms.

The Appeal Court in the preceding instance had decided, with regard to the problem to be solved as mentioned in the description, that the feature “free from play” has to be interpreted in that the energy dissipating member has to be

constantly included in the load transmission of the articulation arrangement such that it can damp any impacts occurring during the normal train operation as well as excessive impacts due to e.g. accidents. The Appeal Court came to this conclusion because the patent claim did not mention any other damping elements for the normal train operation except for the energy dissipating member, and the feature “free from play” would otherwise be only a trivial feature without any practical limitation.

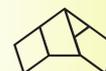
The Federal Supreme Court overruled the decision of the Appeal Court. The Federal Supreme Court confirmed that the description of the patent-in-suit mentioned as one advantage of the invention that the inventive articulation arrangement may also provide a damping means for the normal train operation. However, this does not necessarily mean that the energy dissipating member mentioned in the patent claim has to fulfil this feature. The technical problem is derived from what the invention actually achieves (and not what the description states as being desirable to achieve). This has to be determined by the interpretation of the patent claim. In this regard, statements given in the description concerning the problem to be solved by the invention as well as further statements in the description and the drawings may contain hints with regard to the correct claim interpretation. However, the patent claim itself precedes any further content of the patent specification.

#### Remarks:

The present decision confirms the well-established practice that the problem to be solved by a patent has to be determined by way of interpretation of the patent claim. The description and drawings of the patent specification may contain hints with regard to the correct claim interpretation; however, the content of the patent claim itself always precedes description and drawings. Therefore, description and drawings must not be used for an interpretation of the patent claim below its literal meaning.



Reported by  
Joachim Mader



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**4. German Federal Supreme Court closes gap on practice of European Patent Office with respect to computer implemented inventions (decision of April 22, 2010 – Case Xa ZB 20/08 – Dynamische Dokumentengenerierung/ Dynamic generation of documents)**

**Virtually at the same time when the Enlarged Board of Appeal of the EPO decided on the referral G 3/08, the German Federal Supreme Court clarified one of the last differences in its jurisprudence with the case law of the Boards of Appeal of the European Patent Office.**

The case to be decided related to German patent application DE 102 32 674 (corresponding to US 2003/0226110A1). In this application a method is claimed for generating structured documents with dynamic content and/or dynamic structure. The claimed method should allow the transfer of the structured document between a host computer with restricted resources and a server with sufficient resources. Thus, as the Federal Supreme Court defined it, the application related to the direct interaction between several elements of a complex data processing system, i.e. a host computer and a client. The functionality of the data processing system is reduced because of the restricted resources of the host computer. From this reduced functionality results the problem to be solved, i.e. to provide a method allowing on a host computer the dynamical generation of a structured document requested from a client even when the host computer has restricted resources, and to transmit the generated document to the client. The claimed solution to this problem comprises mapping the request parameters extracted from the requirement data received from the client, by a control module, to a command set of a software-architecture-specific interface module of the host computer with limited resources.

In the first instance the Federal Patent Court had argued that, although probably solving a technical problem, such a method would not fulfil the requirement of technical character because no modifications are made to the host computer. The solution to the problem would not require

any technical means, just different software modules, and would be based only on conceptual considerations.

The Federal Supreme Court, however, confirmed that in order to fulfil the requirement of technical character it is not relevant if the subject-matter of a claim is defined by technical and non-technical features. It is also not relevant which of these features dominate the claimed teaching (cf. decision X ZB 22/07 – “Steuereinrichtung für Untersuchungsmodalitäten”). The patentability of a combination of technical and non-technical features depends only on the question whether it is new and inventive. A data processing system has therefore always technical character even when used for word processing, and, since it is irrelevant which features dominate the claimed invention, also a method which makes use of components of a data processing system, and, therefore, teaches a technical activity, is technical. Thus, a method relating to the direct interaction of elements of a data processing system has always technical character.

Like the Boards of Appeal of the EPO the German Federal Supreme Court has now set the first hurdle of patentability, the requirement of an invention with a technical character, quite low. All products/devices/apparatus have *per se* a technical character. Methods/processes have a technical character if they use technical means, irrespective of whether or not these means are conventional, provided they are explicitly recited in the claims.

Then, in a next step, the second hurdle to patentability has to be cleared: novelty and inventive step. In addition to having a technical character, the claimed method must comprise instructions solving a concrete technical problem with technical means. It is irrelevant if these instructions are executed by means of a computer program running on a computer, as long as a technical problem is solved. The solution of that concrete technical problem must be novel and inventive.

Non-technical features of the claimed solution are only considered for the assessment of inventive step as far as they influence the solution of the technical



problem with technical means. In its decision the Federal Supreme Court further clarified that a solution of a technical problem with technical means, for example by means of a programmed computer, requires not always the modification of system components. It is sufficient that the execution of a computer program used for the solution of the problem is determined by technical features outside the computer, or if the solution consists in realising a program such that it takes into account the technical restrictions of the computer. The latter was the situation in the decided case.

Remarks:

In view of the fact that the above discussed decision explicitly cites the case law of the EPO (here T 258/03 – Auction method/HITACHI) and that Mr. Scharen, the presiding judge of the parallel senate of the German Federal Court of Justice who was not involved in this decision, was a member of the Enlarged Board of Appeal when it decided on G 3/08, it is certainly not completely wrong to conclude that with this decision the German Federal Supreme Court clearly supports the practice of the EPO Boards of Appeal and further harmonizes the German practice with the practice of the EPO.



Reported by  
Johannes Lang

**5. European Patent Office: Enlarged Board of Appeal renders opinion on “Programs for computers” in relation to a set of questions concerning the patentability of programs for computers referred by the President of the EPO on October 22, 2008 (opinion of May 12, 2010 – Case G 3/08)**

**The Enlarged Board of Appeal decided that the referral is inadmissible under Article 112 (1) (b) EPC.**

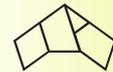
The headnotes of the opinion read as follows:

"1. In exercising his or her right of referral a President of the EPO is entitled to make full use of the discretion granted by Article 112 (1) (b) EPC, even if his or her appreciation of the need for a referral has changed after a relatively short time.

2. Different decisions by a single Technical Board of Appeal in differing compositions may be the basis of an admissible referral by the President of the EPO of a point of law to the Enlarged Board of Appeal pursuant to Article 112 (1) (b) EPC.

3. As the wording of Article 112 (1) (b) EPC is not clear with respect to the meaning of "different/abweichende/divergent" decisions the provision has to be interpreted in the light of its object and purpose according to Article 31 of the Vienna Convention on the Law of Treaties (VCLT). The purpose of the referral right under 112 (1) (b) EPC is to establish uniformity of law within the European patent system. Having regard to this purpose of the presidential right to refer legal questions to the Enlarged Board of Appeal the notion "different decisions" has to be understood restrictively in the sense of "conflicting decisions".

4. The notion of legal development is an additional factor which must be carefully considered when interpreting the notion of "different decision" in Article 112 (1) (b) EPC. Development of the law is an essential aspect of its application, whatever method of interpretation is applied, and is therefore inherent in all judicial activity. Consequently, legal development as such cannot on its own form the basis for a referral, only because case law in new legal and/or technical fields does not



always develop in linear fashion, and earlier approaches may be abandoned or modified.

5. Legal rulings are characterised not by their verdicts, but by their grounds. The Enlarged Board of Appeal may thus take obiter dicta into account in examining whether two decisions satisfy the requirements of Article 112 (1) (b) EPC.

6. T 424/03, Microsoft does deviate from a view expressed in T 1173/97, IBM, concerning whether a claim to a program on a computer-readable medium necessarily avoids exclusion from patentability under Article 52 (2) EPC. However this is a legitimate development of the case law and there is no divergence which would make the referral of this point to the Enlarged Board of Appeal by the President admissible.

7. The Enlarged Board of Appeal cannot identify any other inconsistencies between the grounds of the decisions which the referral by the President alleges are divergent. The referral is therefore inadmissible under Article 112 (1) (b) EPC."

In its referral, the then President of the EPO, Alison Brimelow, asked the Enlarged Board of Appeal to consider a set of questions concerning the patentability of computer programs on which she deemed Technical Board of Appeal 3.5.01 to have given different decisions and which she held to be of fundamental importance within the meaning of Article 112 (1) EPC. Shortly before, her predecessor, Alain Pompidou, had dismissed a suggestion by Lord Justice Jacob of referring the issue of patentability of computer-implemented inventions (CIIs) to the Enlarged Board as unnecessary.

On invitation of the Enlarged Board, around a hundred *amicus curiae* briefs were filed by the interested public. One of the *amici curiae* argued that a member of the Enlarged Board was not impartial. In a composition not including the affected member the Enlarged Board issued an interlocutory decision dated October 16, 2009, stating that the original composition was to remain unchanged.

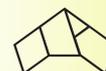
In considering the admissibility of the referral, the first point to be decided was the fact that the President's predecessor

had declined to refer CII patentability issues to the Enlarged Board only the year before, while no further decisions throwing new light on the issues had been taken by the Boards in the interim. The Enlarged Board held that the President was entitled to make full use of his discretion granted by Article 112 (1) (b) EPC, e.g. if the new President viewed matters differently from his predecessor.

Furthermore, given the economic significance of computer-implemented inventions, the consequent heated debate on their patentability in administrative and judicial practice, and the great number of cases pending before the Boards and national courts, the fundamental importance of the general subject addressed by the questions referred was not open to serious doubts so that the general requirement of Article 112 (1) EPC was fulfilled.

With respect to the further requirement of "different" decisions of "two" EPO Boards of Appeal pursuant to Article 112 (1) (b) EPC, the Enlarged Board concluded that it would be too limiting to declare a referral by the President inadmissible simply because the formal requirement that two Boards of Appeal must be involved was not met. At least, this held true when, as was the case here, a single Board of Appeal had delivered the allegedly different decisions in different compositions of its members.

Of key importance was, however, the meaning to be assigned to the undefined legal term "different decisions". On the basis of all three official versions of the EPC, the meaning was found to be ambiguous, and therefore an interpretation in the light of the object and purpose of this requirement was carried out, as stipulated by Article 31 of the Vienna Convention. Since the European Patent Organisation was an international, intergovernmental organisation, modelled on a modern state order and based on the separation of powers, where the EPO's Boards of Appeal as an independent judiciary guaranteed the due process of law, the interpretation of the EPC was primarily the responsibility of the Boards of Appeal. Their decisions were subject to review only under the narrowly defined conditions of Article 112 (1) EPC. Hence, the "different decisions" criterion would appear to show that the President was



only intended to be allowed to refer a question to the Enlarged Board when there was a divergence or conflict in the case law making it difficult if not impossible for the office to bring its patent granting practice in line with the case law.

The notion of legal development was an additional factor which had to be carefully considered when interpreting the notion of "different decisions". As such, legal development on its own could not form the basis for a referral, only because case law in a new legal territory did not always develop in linear fashion, and earlier approaches might be abandoned or modified. Hence, a referral was justified only if at least two Board of Appeal decisions came into conflict with the principle of legal uniformity. The object and purpose of Article 112 (1) (b) EPC was to have the Enlarged Board decision re-establish legal uniformity when it had clearly been disrupted, but not to intervene in legal development on the request of the President for whatever reason.

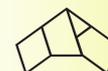
In the light of these findings, the Enlarged Board then considered the referred questions. With respect to question 1 concerning the allowability of claims explicitly directed to programs, the Enlarged Board held that in decision T 424/03 Board 3.5.01 had arrived at a conclusion which clearly contradicted the position taken in a different composition in its earlier decision T 1173/97. According to the younger decision, a claim to a computer-readable medium, i.e. a technical product involving a carrier, had technical character (following decision T 258/03), whereas according to the older decision it did not make any difference with regard to the exclusions under Article 52 (2) EPC whether a computer program was claimed by itself or as a record on a carrier. However, neither was T 1173/97, 7 years earlier, followed in this respect, nor had the conclusion arrived at in T 424/03 been challenged in any later decisions, nor was it isolated but rather came as the last of a series of decisions, the logic of which was consistent. Moreover, the position taken in T 424/03 was in fact a consequence of the principles laid out in T 1173/97, the contrary position taken in that decision was inconsistent with its own premises. Thus, in the judgment of the Enlarged Board, this deviation was a legitimate development of the case law, and there

was no divergence which would make the referral of this point admissible.

The reasoning underlying question 2, arguing that computer program claims and computer-implemented method claims had identical scope, included two logical weaknesses in the argumentation, namely that a method could be divorced from the device it was carried out on, and secondly, a confusion between a set of instructions for carrying out steps and the steps themselves. On a correct interpretation, there was a distinction between a computer program and the corresponding computer-implemented method. The referral cited two decisions allegedly supporting its view, which however was not found to be correct by the Enlarged Board, thus rendering the second question inadmissible.

With respect to the third question, the Enlarged Board noted that the question related to individual features rather than the claimed subject-matter as a whole. This was an important point, because it was a well-established principle that features which would, taken in isolation, belong to the matters excluded from patentability, might nonetheless contribute to the technical character of a claimed invention and, therefore, could not be discarded in the consideration of inventive step. Furthermore, the decisions T 163/85 and T 190/94, cited by the referral to require a technical effect on a physical entity in the real world, simply did not do so. The other two cited decisions accepted that there were technical effects; whether the Boards concerned considered that these technical effects were on a physical entity in the real world was irrelevant. This question was therefore also inadmissible.

Question 4, asking whether the activity of programming necessarily involved technical considerations as asserted in some newer decisions (whereas older ones considered the programmer's activity to be a mental act) was also found inadmissible since there was no contradiction between these positions. Although it might be said that all computer programming involved technical considerations, this was not enough to guarantee that the program had technical character or that it constituted a technical means. This would only be the case if writing the pro-



gram required "further technical considerations", such that the program when run produced a further technical effect. Hence question 4 did not satisfy the requirement for a divergence in the case law and was therefore also inadmissible.

#### Remarks:

Opinion G 3/08 of the Enlarged Board of Appeal is remarkable in various respects:

There are not many referrals judged by the Enlarged Board to be inadmissible. The Opinion voices the Enlarged Board's efforts in making its position clearly understandable and promoting acceptance by those directly concerned and by the public. It sets out by carefully and comprehensively explaining the fundamental structure of the system of law established pursuant to Article 1 of the European Patent Convention and the respective roles and responsibilities of the different players within this system.

Although the President's discretion under Article 112(1) (b) EPC and the requirement of "two" Boards enshrined in that Article has been interpreted broadly, the Enlarged Board takes a strict stance with respect to the requirement of "different decisions". This term has to be understood in the sense of "conflicting decisions" leaving the Office at a loss which line to follow. Without such a conflict situation, there is no general right of the President to ask the Enlarged Board for intervention with, or "rectification" of the case law of the Boards of Appeal for whatever reasons or interests. In particular, an Enlarged Board referral may not be used as a means of replacing Board rulings on CII patentability with the decision of a putatively higher instance. The Enlarged Board has thus underlined that the interpretation of the EPC is primarily the responsibility of the Boards of Appeal. In the end, this is also an important confirmation of the Boards' independent function within the system.

A further notable finding concerns the necessity of allowing legal development, particularly in the field of new technologies, where changes of direction are a normal part of judicial activity. Even a radical shift in jurisprudence need not necessarily be construed as a "different" decision vis-à-vis earlier case law, provi-

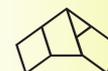
ded that the Board corrects itself and declares its earlier practice to be no longer relevant. This had been the case with respect to the so-called "contribution approach", explicitly abandoned in T 1173/97. However, as the Enlarged Board pointed out in its opinion, this decision (and some other decisions from this period) still contained less manifest remnants of the discarded approach which were eventually removed later by T 258/03. Following T 258/03, decision T 424/03 had to come to a diverging conclusion as a natural consequence.

The Enlarged Board judging the referral as inadmissible, the case law on CIIs must be considered to be firmly established as it stands. A comprehensive summary is given in T 154/04-3.5.01 "Estimating sales activity/DUNS LICENSING ASSOCIATES" (OJ EPO 2008, 46), referred to as exemplary at various places in G 3/08.

The Enlarged Board has also endeavoured to contribute to European harmonisation, *inter alia* by including high ranking national judges in its composition and mentioning various decisions of national courts. Whether the opinion will produce such a desirable harmonisation effect remains to be seen.



Reported by  
Dr. Stefan Steinbrener



## 6. European Patent Office: Opposition Division rules on disclosure requirements for genetic resources taking into account obligations from the Convention on Biological Diversity (decision of April 20, 2010)

**The Opposition Division held that under Article 53 (a) EPC, it is only relevant whether the exploitation of the invention is contrary to “ordre public” or morality, but not the manner of making the invention. Furthermore, it was held that the mere non-observance of possible disclosure requirements related to “previous informed consent” and “benefit sharing” is not sufficient to apply Article 53 (a) EPC. The obligations of “previous informed consent” and “benefit sharing” are derived from the Convention on Biological Diversity (“Rio-Convention”).**

The patent at issue is directed to a method for producing an extract from *Pelargonium sidoides* and/or *Pelargonium reniforme*, characterized by subjecting the roots of the plants to certain steps in order to obtain the extract. The description mentions that *Pelargonium sidoides* has been traditionally used for a long time in Southern Africa as a medicament.

The patent was opposed by several opponents on the grounds of lack of novelty, lack of inventive step and lack of sufficiency of disclosure. In addition, opponents African Centre for Biosafety and Erklärung von Bern relied on the grounds that the invention was contrary to “ordre public” and morality within the meaning of Art. 53 (a) EPC. They submitted that *pelargonium* roots in sufficient quantities as well as the related traditional knowledge of indigenous communities had been available in South Africa, and that the invention was based in essence on this fortunate circumstance. Under the Convention on Biological Diversity (CBD), the proprietor was obliged, when making and when exploiting the invention, to respect and to comply with the criteria of “previous informed consent” and “benefit sharing” as stipulated in Art. 8(j), 15 and 16 CBD. The proprietor had not shown that he had acted in conformity with these requirements.

The Opposition Division, referring to Art. 53 (a) EPC, notes that the relevant question is whether the exploitation of the invention is contrary to “ordre public” or morality. In this respect, according to the Opposition Division, “ordre public” includes the protection of the environment. However, the mere assumption that an excessive gathering of *P. sidoides* and *P. reniforme* could endanger

the environment did not justify revoking the patent, in particular, since the invention could be exploited by using plants obtained by controlled farming.

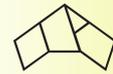
As to the opponents’ submission that the proprietor was obliged to prove in grant proceedings that he had complied with the requirements of “previous informed consent” and “benefit sharing” under the CBD, the Opposition Division held that not fulfilling such disclosure requirements as contained e.g. in § 34a of the German Patent Act was not sufficient to apply exclusion from patentability according to Art. 53 (a) EPC.

Eventually European patent 1 429 795 was revoked (open to appeal) on the grounds of lack of inventive step. The extract as such was known and the modification of known manufacturing processes as claimed was held to be obvious.

The case gives reason to call to mind that the question of the disclosure requirements for genetic resources is still on the international agenda. On a preliminary basis, it has been addressed in recital 27 of the EC Directive Biotechnology which, according to Rule 26 (1) EPC, is to be used when interpreting the EPC. The Directive prompted some national legislators to take action, and in the opposition proceedings the corresponding § 34a of the German Patent Act and Article 49a of the Swiss Patent Act were mentioned.

As early as 2005, in deliberations at WIPO, the EC proposed a binding disclosure requirement for which amendments to the Patent Law Treaty, the PCT, and the EPC might be necessary. A corresponding proposal for amending Rule 51bis PCT was made by Switzerland. A binding requirement is to be understood as a requirement, non-observance of which entails meaningful and workable sanctions. Toward the end of last year, the discussion gained momentum, and the sixteenth session of WIPO’s Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore was scheduled for May 3 to 7, 2010. On the agenda was a list of options on disclosure requirements. The Committee invited the WIPO Secretariat to prepare for its next session an amended working document on the available options for further legislation, including proposed amendments and comments made during the sixteenth session and further comments still to be made before the end of July.

Reported by  
Dr. Rudolf Teschemacher



**7. Court of Justice of the European Union: Unauthorised sale of “perfume testers” constitutes trademark infringement (decision of June 3, 2010 – Case C-127/09 – Coty Prestige Lancaster Group GmbH v. Simex Trading AG)**

**The case had been referred to the ECJ by the Nuremberg Appeal Court. The facts of the case involved the well-known practice of selling so-called perfume testers, described in the judgment as follows:**

“The testers in question are original bottles, containing original perfume, but lacking their original seal and labelled ‘Demonstration’. The packaging of the testers is different from that of the original goods in that, first, it consists of a box made of white card on which statements appear in black and white which, on the original box, generally appear in colour. Second, the word ‘Demonstration’ appears on the front of the tester box and the statement ‘Not for Sale’ appears on one side.”

In their agreements with their authorised distributors, Coty Prestige had imposed restrictions on the disposition of these testers:

“The advertising material made available to the authorised specialist dealer by [Coty Prestige] may be used only for the specified advertising purposes. Any commercial use on the part of the authorised specialist dealer, in particular the sale of samples, testers or miniatures, is prohibited.”

Simex had nevertheless obtained such testers and sold them to distributors, *inter alia* to “Sparfümerie”, a chain of drug stores. The Nuremberg District Court had dismissed the trademark infringement claim of Coty, holding that the rights of Coty Prestige had been exhausted. The appeals court, having doubts about the exhaustion, referred the following question to the ECJ:

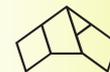
“Are goods put on the market within the meaning of Article 13 (1) of Regulation (EC) No 40/94 and Article 7 of Directive 89/104/EEC if “perfume testers” are made available to contractually-bound intermediaries without transfer of owner-

ship and with a prohibition on sale, so that those intermediaries are able to allow potential customers to use the contents of the goods for test purposes, the goods bearing a notice stating that they may not be sold, the recall of the goods by the manufacturer/trademark proprietor at any time remaining contractually possible and the presentation of the goods being significantly different from the goods usually put on the market by the manufacturer/trademark proprietor in that it is plainer?”

The ECJ, deciding the case without an oral hearing and without an opinion by the Advocate General, concludes that the retention of title by Coty Prestige and the prohibition of any sale of the testers precluded an exhaustion of rights:

“In circumstances such as those of the main proceedings, Article 13 (1) of Council Regulation (EC) No 40/94 of December 20, 1993 on the Community trademark and Article 7 (1) of First Council Directive 89/104/EEC of December 21, 1988 to approximate the laws of the Member States relating to trademarks, as amended by the Agreement on the European Economic Area of May 2, 1992, are to be interpreted as meaning that the rights conferred by the trademark are exhausted only if, according to an assessment which it is for the national court to make, it may be concluded that the proprietor of the mark expressly or impliedly consented to a putting on the market, either in the European Community or in the European Economic Area, of the goods in respect of which that exhaustion is claimed to exist.

In circumstances such as those of the main proceedings, where ‘perfume testers’ are made available, without transfer of ownership and with a prohibition on sale, to intermediaries who are contractually bound to the trademark proprietor for the purpose of allowing their customers to test the contents, where the trademark proprietor may at any time recall those goods and where the presentation of the goods is clearly distinguishable from that of the bottles of perfume normally made available to the intermediaries by the trademark proprietor, the fact that those testers are bottles of perfume which bear not only the word ‘Demonstration’ but also the statement ‘Not for Sale’ precludes, in the absence of any evidence to the



contrary, which it is for the national court to assess, a finding that the trade mark proprietor impliedly consented to putting them on the market.”

Remarks:

The judgment is in line with the ECJ's previous case law. Exhaustion applies only to such products which have been placed on the market by sale or otherwise in the European Economic Area by the trademark proprietor or with his consent.

The judgment is, however, remarkable from a German perspective, because the German Federal Supreme Court had held only three years earlier, in its judgment of February 15, 2007 in Case I ZR 63/04 – “Parfumtester”, that under exactly the same circumstances as those judged by the ECJ, the trademark proprietor's rights were exhausted. German courts will now have to follow the ECJ's judgment, and no longer the judgment of its own Supreme Court.

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

**8. German Federal Supreme Court approves award of favourable damages for rights owner in parallel trade case (decision of July 29, 2009 – Case I ZR 87/07 – Zoladex)**

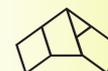
When intellectual property rights are infringed, German courts may grant damages corresponding to a royalty the infringer would have to pay if he had asked the rights owner for authorisation. The rights owner may also ask for damages corresponding to the infringer's profit resulting from the infringement.

In this regard, German courts usually do not grant the full profit the infringer has made but only the profit that has been made in a causal connection to the infringement. Therefore, in trademark cases for example, where the infringer has marketed counterfeit goods under the trademark owner's label, courts would not award the full profit the infringer has made by selling the counterfeit goods, assuming that the infringer would also have sold some of the products and made some profit if the products would have been sold under a different label of the rights owner. In such cases, the courts often grant far less than half of the profits made by the infringer unless a well known label is at issue.

In the case at hand, concerning parallel trade of a pharmaceutical product, the Court departed in a remarkable way from this principle:

The defendant imported a pharmaceutical product of the claimant from another country of the European Union and marketed it in Germany. The parallel import company had modified the package of the original product for the German customer. The pharmaceutical company's trademark rights are not exhausted and the pharmaceutical company can stop the marketing of its original products on the basis of its trademark if the original product or packaging has been modified in any way, unless the parallel import company has complied with a set of obligations. One of these obligations of a parallel import company is to inform the pharmaceutical company about the modification of the original package before putting it on the market. The defendant had failed to do so and the claimant therefore was granted an injunction ordering the parallel import company to stop any further marketing of the pharmaceutical company's product. Further, the defendant was ordered to pay damages.

However, the modification of the package as such was correct in that it met the requirements for further marketing in Germany. The pharmaceutical company would not have been able to oppose to it if the parallel import company had informed the claimant prior to marketing the product. The infringing activity consisted solely of not informing the pharmaceutical company about the parallel import com-



pany's intentions to market any modified packages.

With respect to the damages, the Federal Supreme Court awarded damages corresponding to the full amount of profit the defendant had made. The court did not follow the defendant's argument, that the defendant would have been allowed to market the pharmaceutical product if he had informed the claimant about it before so that only a small part of its profit, if any, would have been causally connected to the trademark infringement. On the contrary, the Federal Supreme Court emphasized that the pharmaceutical product could not have been marketed without the claimant's trademark, due to reasons of pharmaceutical law. The court therefore found that the parallel import company's profit had been completely caused by the trademark infringement and therefore awarded damages to the claimant corresponding to the full amount of profit the parallel import company had made by marketing the pharmaceutical company's product in a modified package.



Reported by  
Dr. Stefan Abel

### **9. German Federal Supreme Court: Offering an imitation of perfumes “as such” can be considered as comparative advertising (decision of October 1, 2009 – Case I ZR 94/07 – Oracle)**

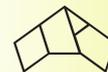
**The Federal Supreme Court decided that offering a perfume displaying a number of characteristics similar to the characteristics of the original can be considered as unlawful comparative advertising. It is not required that the advertising explicitly refers to the original product. Even where the relevant public perceives the imitation as a reference to the original and therefore recognises the original, such advertising represents an unlawful comparison.**

In re Oracle, the German Federal Supreme Court had to decide on a case where the alleged infringer had offered a perfume that was not recognised as a clear and obvious imitation. However, the imitation product used various characteristics approximating the characteristics of the original, such as a similar product name, a similar design, colour and form of the bottle and a similar package. As a consequence, the relevant circles the advertising was addressed to, in this case retailers, could immediately identify that this perfume was meant to serve as a substitute of one particular original – even if the advertising did not contain any kind of explicit comparison (such as “smells like” or other).

In line with a previous decision in 2007 (see Case I ZR 169/04 of December 6, 2007 – Imitationswerbung) and in line with ECJ's L'Oréal/Bellure decision (Case C-487/07, June 18, 2009) the Court held that such advertising is in the scope of the provisions concerning comparative advertising. However, the Court clarified that only an “open”, clearly evident statement of imitation can be considered as comparative advertising. In this regard, it would not be sufficient if the advertising only claimed that the imitation was equal to the original. It has to be clear that the advertising represents an imitation.

In case there is such a clear and obvious imitation, the assessment whether such comparative advertising is unlawful is limited to the requirements set out in Article 4 of the Directive 2006/114/EC concerning misleading and comparative advertising (and the respective national laws). In particular, the strict requirements of Article 4 (c) of the Directive 2006/114/EC to objectively compare one or more material, relevant, verifiable and representative features would most likely not be met in a case where an imitation is advertised, so that the laws on unfair competition provide a possibility to prohibit the marketing of counterfeits.

Therefore, the rights owner in the Oracle case, who could not base its claims on trademarks and/or designs since the signs used were dissimilar, under these legal concepts succeeded on the basis of the provisions on unfair competition.



BARDEHLE  
PAGENBERG  
DOST  
ALTENBURG  
GEISSLER

Remarks:

The decision is a strong indication that – due to the fact that offering an imitation as such can be considered as comparative advertising – fighting counterfeits on the basis of unfair competition law might, in practice, be easier to handle than trademark and design cases given that issues such as likelihood of confusion, similarity, damage of reputation or priority do not have to be taken into account when applying rules of comparative advertising.



Reported by  
Pascal Böhner

The claimant was marketing cough drops in Germany since 1984, in a blue and white bag showing a polar bear. Since 2002 the following get-up had been used:



The defendant's packaging was characterized as follows:



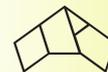
The Cologne Appeal Court confirmed that the original's get-up could claim high inherent competitive individuality due to its highly creative design (polar bear as a powerful animal shown in an arctic setting, using the cold colours blue and white) supporting the attached quality claim "EXTRA STARK – EXTRA FRISCH" ("EXTRA STRONG – EXTRA FRESH"). Additionally, the competitive individuality was supported by sufficient sales figures, market data and a market survey. Particularly, the market survey supported the original's increased competitive individuality, showing, on the one hand, that in the view of the relevant public the trade name "Wick Blau" is linked with the features "polar bear" and "blue and white packaging" and, on the other hand, that the "polar bear" and the "blue packaging" are evaluated by the relevant public as typical features of the claimant's get-up.

**10. Cologne Appeal Court: Competitor may take unfair advantage of the original's reputation even without causing deception as to origin (decision of January 15, 2010 – Case 6 U 131/09 – Eisbär/Polar Bear)**

**On January 15, 2010, the Cologne Appeal Court held that a competitor must refrain from using a product packaging for cough drops with a similar picture of a polar bear depicted on a blue and white bag if the original get-up may claim increased competitive individuality. Under such circumstances, the competitor takes unfair advantage of the original's reputation ("image transfer") even if a deception as to origin must be denied due to a different trademark on the contested product.**

Furthermore, the Court held the original's get-up had been copied by the contested product, since the latter not only contained the original's characteristic features but also the inventive concept of promoting the claimed quality of cough drops ("EXTRA STRONG") with the image of a polar bear.

As a consequence, the defendant took unfair advantage of the reputation of the



original's get-up although a potential deception as to origin had to be denied due to the accused packaging clearly showing both the defendant's product and company name (here: "Atemgold" and "Storck" instead of "Wick Blau" and "Wick"). The Court held that the original enjoyed sufficient reputation among the relevant public due to its long-standing market presence. This was supported by a market survey showing that 81% of the interviewees were aware of the claimant's trademark "Wick Blau". Further survey evidence showed that consumers consistently, and partly even spontaneously, attributed positive quality to the original.

Consequently, due to the lack of any valid justification for copying the original and in light of original's image transfer, the defendant was ordered to cease and desist.

#### Remarks:

This decision is a welcome example showing that the national concept of supplementary competitive protection against misappropriation may not only protect against imitations in case of a deception as to origin, i.e., when the relevant public confuses the copy with the original or at least assumes a commercial link with the manufacturer of the original. Rather, German law also offers protection where the copy shows its own, different trademark or trade name as long as the copy takes unfair advantage of the original's reputation.



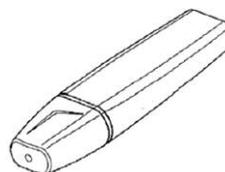
Reported by  
Verena Wintergerst, LL.M.

### 11. General Court of the European Union: First decision on conflict between a prior trademark and a later Community design (decision of May 12, 2010 – Case T-148/08 – Beifa Group v OHIM and Schwan-Stabilo Schwanhäußer)

**On May 12, 2010, Europe's General Court (formerly known as Court of First Instance) decided, for the very first time, on a conflict between a prior trademark and a later Community design. While OHIM's Invalidation Division and Board of Appeal confirmed infringement, the General Court disagreed.**

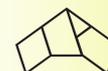
Interestingly, the test to be carried out was a trademark infringement test under Section 14 (2) German Trademark Act, since the prior trademark was registered as a German trademark. Thus, from the point of view of a national trademark infringement court, the brisance and meaning of this proceeding lies within the fact that both the Invalidation Division and the Board of Appeal, apparently by mistake, did not classify the prior trademark as a 2-D mark, but rather as a 3-D mark. This was reason enough for the Court to annul the Board of Appeal's decision.

More interestingly, however, the Invalidation Division and Board of Appeal apparently were confused about the fact that the applicant had invoked two prior German trademarks, namely German trademark No 30045470 (2-D) and No 2911311 (3-D), both being represented as shown below:



The Invalidation Division and the Board of Appeal discussed and confirmed infringement of that sign by the later Community design as represented, *inter alia*, below:





However, both bodies failed to qualify German trademark No. 30045470 as a 2-D mark (instead, they continuously speak of 3-D mark). The General Court found that such deficit would amount to an error in law, for paragraph 121 reads: “A three-dimensional mark, however, is not necessarily perceived by the relevant public in the same way as a figurative mark. In the case of a three-dimensional mark, the relevant public perceives a tangible object which it can examine from a number of angles, whereas in the case of a figurative mark, the public sees only an image.” Apart from that, the Court also held that “(...) it is not necessary to analyse separately the question whether the relevant public will perceive the Community design covered by the application for a declaration of invalidity as a distinctive sign” (paragraph 107) in order to decide whether there is a trademark infringement.

#### Remarks:

The outcome is not really satisfying, and hopefully the Court of Justice of the European Union will have a chance to reconsider the case. If the two prior trademarks at issue are registered for identical signs (and, of course, registered for identical goods, i.e., “instruments for writing”), it should not make a difference whether the type of mark is 2-D or 3-D – something the average consumer will certainly not be aware of (and not interested in either). Likelihood of confusion should depend on and be confirmed against similarity (or even identity) of signs and goods, not in light of more formal details, such as the type of mark.

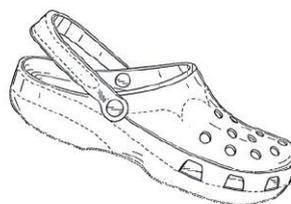


Reported by  
Dr. Henning Hartwig

## 12. Office for Harmonization in the Internal Market (Board of Appeal): OHIM confirms invalidation of the Crocs design (decision of March 26, 2010 – Case R 9/2008-3 – Crocs v Holey Soles)

**More than two years after the Invalidity Division declared Community design No. 257001-0001 underlying the Crocs leisure and boat shoe invalid, the Board of Appeal now confirmed the challenged design’s lack of novelty and individual character.**

On November 22, 2004, the holder filed an application for registration of a Community design (indication of product: “footwear”) claiming priority of a US design patent application as of May 28, 2004, representing the design, inter alia, as follows:



On December 12, 2007, the Invalidity Division declared the contested design invalid on the grounds that earlier designs destroyed its individual character, though not its novelty. Since the holder objected to all unfavourable findings made by the Invalidity Division, those findings could be subject to review by the Board (at margin No 50). However, for reasons of procedural efficiency, the Board decided not to examine the validity of the priority claim because that would not change the outcome of the case (57).

Apart from that, when examining the issue of novelty, the Board had to decide whether displaying such clogs at an exhibition and disclosing them on the holder’s website would amount to novelty-destroying disclosure, since such events could “reasonably have become known in the normal course of business to the circles specialised in the sector concerned, operating within the Community” (Article 7 [1] CDR). Further, as admitted by the holder, prior to May 28, 2003, there were already US sales of around 10,000 pairs of clogs manufactured according to the challenged design. In the Board’s opinion, each of the three events destroyed the novelty of the contested design (61).



According to the Board, the “sector concerned” would be the one concerned by the challenged design, i.e., footwear, and particularly boat or beach footwear or, more generally, leisure footwear. Even though the holder identified the product as “footwear”, not “boat footwear” or “beach footwear” or “clogs”, the design represented doubtlessly a boat or leisure clog. The product that the design actually represented had some importance, said the Board (62).

As regards sales of the underlying Crocs clog in the US, the Board refused to minimise the importance of these sales by comparing them with the considerable size of the US market (64). As to the event of displaying such clogs at an exhibition (again, in the US), the Board held that such boat shows “do not exhibit only yachts, but anything related, by and large, to boats, such as nautical equipment, engines, electronics, fishing gear and, of course, boat clothing and boat footwear. Boat shows thus attract visitors and exhibitors interested in boat-related products and accessories.” (78) Finally, the disclosure on the holder’s website was also deemed relevant, since the Board considered that a website which, before the relevant date, featured products made according to the contested design and which could be ordered online, manifestly amounted to a disclosure that destroys novelty (90).

For the sake of completeness, the Board also examined and confirmed lack of individual character, since the only difference between the ‘Crocs’ clog and the prior ‘Aquaclog’ was that the ‘Crocs’ has a heel strap whereas the ‘Aquaclog’ had no such feature – a difference that, according to the Board, was “a relatively marginal one, in the sense that the clog – with or without the strap – produces on the informed user the same overall impression” (102). Additionally, the Board deemed the strap’s mobility to show “its purely functional character” (106).

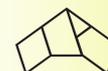
Reported by Dr. Henning Hartwig

### **13. Court of Justice of the European Union on whether a .eu domain name was registered in bad faith (decision of June 3, 2010 – Case C-569/08 – Internetportal und Marketing GmbH v Richard Schlicht)**

**For the first time and on request of the Austrian Supreme Court, the Court of Justice had to deal with the interpretation of the bad faith provisions pursuant to Regulation No 874/2004 laying down public policy rules concerning the implementation and functions of the .eu Top Level Domain and the principles governing registration. The Court ruled in essence that not only the indications mentioned in Article 21 Regulation No 874/2004, but all circumstances of the case must be taken into account when examining the question of bad faith registering of a .eu domain name.**

The case was as follows: Internetportal and Marketing GmbH (IM) had registered many trademarks shortly before the pre-registration phase for the .eu domain names in which mainly trademark (and name) owners could apply for .eu domain names. IM had applied and registered *inter alia* in Sweden for the mark “&R&E&I&F&E&N&” in class 9 for safety belts.

IM had in total applied for 180 domain names, all consisting of generic terms. IM allegedly intended later on to use a portal under this domain name for tyres and not for safety belts. Article 11 of the Regulation provides that where the name for which prior rights are claimed contains special characters, spaces, or punctuations, these shall be eliminated entirely from the corresponding domain name and replaced with hyphens, or, if possible, rewritten. The “&” was such a special character. The other party was the proprietor of the trademark REIFEN (in German: Tyres) registered for *inter alia* bleaching preparations. Both parties applied in the phased registration for the domain name “reifen.eu”. IM was (timewise) at first place and was successful in obtaining the domain name “reifen.eu” by having argued that the special character “&” must be eliminated in pursuance of one of the transcription rules set out in Article 11. Mr. Schlicht successfully challenged the decision of the registry with



the Czech Arbitration Court which decided to withdraw that domain name from IM and to transfer it to Mr. Schlicht, the Arbitration Court taking the view that the character “&” if contained within a trademark was not to be eliminated but had to be rewritten. Furthermore, the Arbitration Court held that IM had tried in many cases to circumvent the transcription rules and had accordingly acted in bad faith. IM challenged this decision in Austria where finally the Austrian Federal Supreme court asked the ECJ several questions with regard to the interpretation of the Regulation.

The ECJ now ruled that Article 21 (3) of this Regulation must be interpreted as meaning that bad faith can be established by circumstances other than those listed in Article 21 (3) (a) to (e) of the Regulation and that, in order to assess whether there is any conduct in bad faith within the meaning of Article 21 (1) (b) of the Regulation, read in conjunction with Article 21 (3) thereof, the national court must take into consideration all the relevant factors specific to the particular case and, in particular, the conditions under which registration of the trademark was obtained and those under which the .eu top level domain name was registered.

With regard to the conditions under which registration of the trademark was obtained, the national court must take into consideration, in particular the intention not to use the trademark in the market for which protection was sought, the presentation of the trademark, the fact of having registered a large number of other trademarks corresponding to generic terms and the fact of having registered the trademark shortly before the beginning of the phased registration of .eu top level domain names.

With regard to the conditions under which the .eu top level domain name was registered, the national court must take into consideration, in particular the abusive use of special characters or punctuation marks, within the meaning of Article 11 of the Regulation, for the purposes of applying the transcription rules and the registration during the first part of the phased registration provided for in that Regulation on the basis of a mark acquired in circumstances such as those in the main proceedings and the fact of having

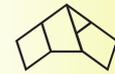
applied for registration of a large number of domain names corresponding to generic terms.

The Court herewith confirmed the current practice of the Czech Arbitration Court (being so far the sole alternative dispute resolution provider for .eu domain names) that an overall assessment of the act of registering must be conducted to examine the existence of bad faith.

With its decision the ECJ has also prepared the road to challenge many other cases of obvious misuse of the phased registration by applicants who used the trademark system to get an unfair time advantage in getting generic and highly valuable generic terms registered as .eu domain names.



Reported by  
Dietrich Beier



**14. Court of Justice of the European Union: First decision on the validity of a Community plant variety right (decision of April 15, 2010 – Case C-38/09 P – Schröder v Community Plant Variety Office), also called „Piss off“**

**In Schröder v Community Plant Variety Office (CPVO), the Court of Justice of the European Union (ECJ) for the first time had to decide on the protectability of a plant variety. In its decision the ECJ confirmed in last instance the decision of the CPVO which had refused an application for plant variety protection.**

New breeds of plant varieties that are distinct from known varieties and are homogenous and stable may obtain plant variety protection for 25 years. Plant variety rights are of great economic importance for agricultural plants (potatoes, grain) but also for decorative garden plants such as chrysanthemum and roses. Plant variety protection is being granted either by non-harmonized national plant variety law, or for all EU Member States, by the Community Plant Variety Office (CPVO) in Angers on the Loire, France, on the basis of the European Regulation for Plant Variety Rights.

The case that has now been finally decided by the ECJ relates to an application for plant variety protection filed in 2001 for the variety SUMCOL 01, belonging to the species *Plectranthus ornatus*. These are garden plants which apparently have the effect of deterring animals such as cats, and were therefore called “Piss off”, a name chosen by the grower.

Pursuant to the examination results of the CPVO which were attained in cooperation with the Federal Plant Variety Office in Hannover, Germany, the given variety cannot be distinguished from known varieties. A variety common in South Africa was relied on as reference variety for comparative purposes. Appeals filed by the grower, Mr. Ralf Schröder, before the Board of Appeal of the CPVO and the General Court of the EU (formerly Court of First Instance) remained unsuccessful. Now, the ECJ has dismissed the appeal of Mr Schröder against the decision of the General Court of November 19, 2008 as unfounded.

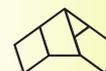
Besides a number of procedural questions that were also decided in favour of the CPVO, the proceedings centred primarily on the question of whether the CPVO had made any legal mistakes when establishing a lack of distinctness (against known varieties of the plant). This was denied by the ECJ. Neither the General Court nor the Court of Justice undertook any new examination of the facts. Rather, the General Court limited itself to examining whether the findings of the CPVO were affected with any procedural faults or mistakes of assessment. The Court of Justice confirmed, holding as follows:

In addition, it must be recalled that the General Court, which has jurisdiction only within the limits set by Article 73 (2) of Regulation No 2100/94, was not required to carry out a complete review in order to determine whether or not the SUMCOL 01 variety lacked distinctness for the purposes of Article 7 (1) of Regulation No 2100/94 but that it was entitled, in the light of the scientific and technical complexity of that condition, compliance with which must be verified by means of a technical examination which, as is clear from Article 55 of Regulation No 2100/94, is to be entrusted by the CPVO to one of the competent national offices, to limit itself to a review of manifest errors of assessment.

In summary, this means that the decisions of the CPVO concerning the essential substantive points of the Regulation on Plant Variety Rights such as novelty, distinctness, homogeneity and stability, insofar as they necessitate technical knowledge and expertise, will be examined by the Community courts only with regard to plausibility and lack of any decisive procedural faults.

Attorney-at-law (Rechtsanwalt) Dr. Alexander von Mühlendahl, J.D., LL.M., represented defendant Community Plant Variety Office before the ECJ.





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