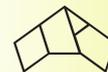


IP Report

»The Bardehle Pagenberg IP Report«
2010/III – www.bardehle.com



BARDEHLE
PAGENBERG
DOST
ALTENBURG
GEISSLER

Patent Law

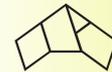
1. *Bilski v G 3/08*: European Certitudes and American Conjectures 2
2. Advocates-General of the Court of Justice of the European Union: Incompatibility of the proposed Agreement aiming to create a Unified Patent Litigation System for the European Union with the European treaties (opinion of July 10, 2010 – Case A-1/09) 6
3. German Federal Supreme Court: German courts have to consider decisions of the EPO and of the courts of other EPC member states which are related to similar subject matter (decision of April 15, 2010 – Case Xa ZB 10/09 – Walzenformgebungsmaschine/Roller-forming-machine .. 6
4. German Federal Supreme Court on whether a skilled person would combine the teachings of two different areas of the same technical field (decision of April 15, 2010 – Case Xa ZR69/06 – Telekommunikationseinrichtung/Telecommunication System) 7
5. German Federal Supreme Court on staying infringement proceedings in cases in which the patentee asserts only a limited claim version as compared with the granted claim version (decision of May 6, 2010 – Case Xa ZR 70/08 – Maschinensatz/Machine Assembly)8
6. German Federal Supreme Court on the coherent interpretation of patent claims in validity and infringement proceedings (decision of June 29, 2010 – Case X ZR 193/03 – Crimpwerkzeug III/Crimping Tool III) 9

Trademark Law

7. Court of Justice of the European Union: Finding of similarity between BECKER and “Barbara Becker” based on erroneous assumptions (decision of June 24, 2010 – Case C-51/09 P – Barbara Becker v OHIM) 11
8. Court of Justice of the European Union: Czech BUDWEISER prevails over American BUDWEISER in opposition proceedings – Proof of renewal of earlier mark (decision of July 29, 2010 – Case C-214/09 P – Anheuser-Busch Inc. v OHIM and Budejovický Budvar, n.p.) 12
9. Court of Justice of the European Union: No similarity between Calvin Klein’s famous CK monogram and CK CREACIONES KENNYA (decision of September 2, 2010 – Case C-254/09 P – Calvin Klein Trademark Trust v OHIM – CK) 13
10. German Federal Supreme Court on the requirements of an independent distinctive role where designations of low distinctiveness are involved (decision of December 2, 2009 – Case I ZR 44/07 – OFFROAD and decision of November 11, 2009 – Case I ZR 142/07 – MIXI) 15
11. German Federal Supreme Court on strengthening the position of the principal in cases of an *agent illoyal* (decision of January 21, 2010 – Case I ZR 206/07 – DISC) 15
12. Frankfurt Appeal Court puts an end to long-time trademark conflict between wine traders (decision of May 27, 2010 – Case 6 U 243/08 – Castel) 17

Design Law

13. German Federal Supreme Court for the first time decides on substantive requirements of a Community design law (decision of April 22, 2010 – Case I ZR 89/08 – Stretch Limousine) 18



1. *Bilski v G 3/08*: European Certitudes and American Conjectures

Within only a few weeks in the first half of 2010, two last-instance opinions on the connotations of patent-eligible subject-matter and the tests to be applied for distinguishing such matter from other material have been delivered on both sides of the Atlantic. The Supreme Court of the United States in *Bilski v Kappos*, No. 08-964, 561 U.S. (2010) had to deal with the issues of whether “a ‘process’ must be tied to a particular machine or apparatus, or transform a particular article into a different state or thing (‘machine-or-transformation’ test) to be eligible for patenting under 35 U.S.C. §101” and whether such test “which effectively forecloses meaningful patent protection to many business methods, contradicts the clear Congressional intent that patents protect ‘method[s] of doing or conducting business’, 35 U.S.C. §273” (Questions presented).

The points of law referred by the President of the European Patent Office in G 3/08 “Programs for computers” of 12 May 2010 to the Enlarged Board of Appeal were limited to “some of the finer aspects” of the exclusion of programs for computers (Press Release of 24 October 2008 on the EPO Website). Nevertheless, at least points 2 and 3 referred overlapped with the first question presented to the U.S. Supreme Court in that the sufficiency of merely mentioning the use of a computer or a computer-readable data storage medium for avoiding exclusion in the area of computer programs was challenged. This issue was indeed also raised and discussed before the U.S. Supreme Court (Transcript of oral argument, p. 33 ff.).

Both cases aroused high-wrought expectations of final clarifications. At first sight, those expectations may not have been met since the Enlarged Board of Appeal found the referral inadmissible and the U.S. Supreme Court contented itself with finding that the machine-or-transformation test is not the sole test for deciding whether an invention is a patent-eligible process (Part II-B-1, p. 8) and that business methods are not categorically excluded from patentability (Part II-C-1, p. 10).

Any further development of judicial interpretation was thus left to “lower” instances, i.e. the Court of Appeals for the Federal Circuit and the Boards of Appeal of the EPO (in fact, the Enlarged Board of Appeal is not an instance above the Boards of Appeal but rather coordinate to the Boards). Nevertheless, despite some similarities the resulting status quo of jurisprudence seems to be fundamentally different in both legal systems.

1. Impact of G 3/08

1.1 In G 3/08 the Enlarged Board of Appeal decided that the President’s referral was inadmissible under Article 112(1)(b) EPC since there were no different – in the sense of “conflicting” (G 3/08, Nos. 7.2.5, 7.3.1) – decisions on the questions referred. This finding has two immediate consequences:

(i) There is no necessity or even possibility for the Enlarged Board of Appeal to enter into a discussion of any merits or demerits of the established case law, all the more so since the legal development is on the hands of the Boards of Appeal and is neither the Enlarged Board’s nor the President’s responsibility (Ibid., No. 7.3.8).

(ii) The status quo of European case law must be considered to be firmly established. Although the Enlarged Board mentions that a “rejection for lack of an inventive step rather than exclusion under Article 52(2) EPC is in some way distasteful to many people” (Ibid., No. 10.13), it refers several times (Ibid., Nos. 4.1, 10.7.1, 10.13.1, 10.13.2) to decision T 154/04-3.5.01 “Estimating sales activity/Duns Licensing Associates” of 15 November 2006 (OJ EPO 2008, 46). As laid out in this decision, an elaborate system for taking excluded subject-matter into account in the assessment of whether there is an inventive step has been developed. While it was not the task of the Enlarged Board in its Opinion to judge whether this system was correct, it appeared to the Enlarged Board “that the case law, as summarised in T 154/04, has created a practicable system for delimiting the innovations for which a patent may be granted”.

1.2 Hence, the legal situation of computer-implemented inventions in Europe, at least as regards the central grant procee-



dings before the EPO, has in the end been decided to be on solid ground. As pointed out in T 154/04, No. 5, the constant jurisprudence of the Boards of Appeal may be summarised in the following principles:

(A) Article 52(1) EPC sets out four requirements to be fulfilled by a patentable invention: there must be an invention, and if there is an invention, it must satisfy the requirements of novelty, inventive step, and industrial applicability.

(B) Having technical character is an implicit requisite of an “invention” within the meaning of Article 52(1) EPC (requirement of “technicality”).

(C) Article 52(2) EPC does not exclude from patentability any subject matter or activity having technical character, even if it is related to the items listed in this provision since these items are only excluded “as such” (Article 52(3) EPC).

(D) The four requirements of invention, novelty, inventive step, and susceptibility of industrial application are essentially separate and independent criteria of patentability, which may give rise to concurrent objections. Novelty, in particular, is not a requisite of an invention within the meaning of Article 52(1) EPC, but a separate requirement of patentability.

(E) For examining patentability of an invention in respect of a claim, the claim must be construed to determine the technical features of the invention, i.e. the features which contribute to the technical character of the invention.

(F) It is legitimate to have a mix of technical and “non-technical” features appearing in a claim, in which the non-technical features may even form a dominating part of the claimed subject matter. Novelty and inventive step, however, can be based only on technical features, which thus have to be clearly defined in the claim. Non-technical features, to the extent that they do not interact with the technical subject matter of the claim for solving a technical problem, i.e. non-technical features “as such”, do not provide a technical contribution to the prior art and are thus ignored in assessing novelty and inventive step.

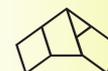
(G) For the purpose of the problem-and-solution approach, the problem must be a technical problem which the skilled person in the particular technical field might be asked to solve at the relevant priority date. The technical problem may be formulated using an aim to be achieved in a non-technical field, and which is thus not part of the technical contribution provided by the invention to the prior art. This may be done in particular to define a constraint that has to be met (even if the aim stems from an a posteriori knowledge of the invention).

The requirement of technical character is not met by “purely abstract concepts devoid of any technical implications” whereas technical character is implied by the features of a technical product or activity, or is conferred to a non-technical activity by the use of technical means (T 258/03 “Auction method/HITACHI” of 21 April 2004; OJ EPO, No. 4.5; see also T 154/04, Nos. 18-22). These principles are applicable for assessing the patentability of any subject-matter claimed.

1.3 In the field of business methods, this means

- that abstract business or financial concepts are not patent-eligible subject-matter, but
- that such concepts become (at least in principle) patent-eligible if they employ a technical means, e.g. if they are tied to a standard computer.

Whether they get over the second hurdle of inventive step depends on the obviousness of the combination of those features that contribute to the requisite technical character. As experience shows, business methods will not easily overcome this hurdle since they regularly amount to nothing more than the straightforward automation of a (possibly innovative) non-technical economic concept. However, applying principle (C) above, it cannot be excluded once and for all that business aspects might also contribute to the technical character and would therefore have to be taken into account when assessing inventive step (see also T 258/03, No. 5.8). Business methods will therefore only be patentable if they are tied to technical means and if those of their features that make a technical contribution involve an inventive step.



1.4 The Enlarged Board of Appeal did its best to foster harmonisation with national case law of the Contracting States by inviting two high-ranking national judges to the bench and citing various national decisions in its opinion. Whether this *cap-tatio benevolentiae* will contribute to a favourable reception throughout Europe remains to be seen. It appears that recent decisions in Germany (see e.g. BGH X ZB 22/07 – Steuerungsrichtung für Untersuchungsmodalitäten of 20 January 2009; Xa ZB 20/08 – Dynamische Dokumentengenerierung of 22 April, 2010) are approaching the European position, while the UK (at least up to now) follows a different line of argument (see e.g. [2008] EWCA Civ 1066- Symbian Ltd. v Comptroller General of Patents of 8 October 2008).

2. Bilski and its ramifications

2.1 Before the Supreme Court of the United States, three arguments were advanced for the proposition that the claimed invention (a procedure of hedging against the risk of price fluctuations) was outside the scope of patent law:

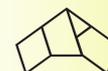
- (i) it was not tied to a machine and did not transform an article;
- (ii) it involved a method of conducting business; and
- (iii) it was merely an abstract idea.

2.2 According to the majority opinion of the U.S. Supreme Court, adopting the machine-or-transformation test as the sole test for what constitutes a “process” violates statutory interpretation principles, in particular the principles of interpreting words as taking their ordinary, contemporary, common meaning and refraining from imposing limitations that were inconsistent with the text and the statute’s purpose and design. Any suggestion in the U.S. Supreme Court’s case law that the Patent Act’s terms deviated from their ordinary meaning had only been an explanation for the exceptions of laws of nature, physical phenomena and abstract ideas which were not patentable. Concerns about attempts to call any form of human activity a “process” could be met by making sure the claim fulfilled the requirements referred to in 35 U.S.C. §101, including novelty, non-obviousness and full disclosure.

2.3 Section 101 similarly precluded the broad contention that the term “process” categorically excluded business methods. The term “method”, which was within §100(b)’s definition of “process”, might include at least some methods of doing business. The U.S. Supreme Court was unaware of any argument that the ordinary, contemporary, common meaning of “method” excluded business methods, nor was it clear how far a prohibition on business methods patents would reach. A categorical exclusion of business methods was further undermined by the fact that federal law under 35 U.S.C. §273 (b) (1) explicitly contemplated the existence of at least some business method patents. However, while §273 appeared to leave open the possibility of some business method patents; it did not suggest broad patentability of such claimed inventions.

2.4 Even though the petitioners’ application was not categorically outside of §101 under the above-mentioned approaches (1) and (2) rejected by the Supreme Court in their categorical form, that did not mean it was a “process” under §101. Rather than adopting categorical rules that might have wide-ranging and unforeseen impacts, the Supreme Court resolved the case narrowly on the basis of its guidepost decisions in *Gottschalk v Benson*, 409 U.S. 63 (1972) of 20 November 1972, *Parker v Flook*, 437 U.S. 584 (1978) of 22 June 1978 and *Diamond v Diehr*, 450 U.S. 175 (1981) of 3 March 1981, which showed that petitioners’ claims were not patentable processes because they were attempts to patent abstract ideas. Hence, there was no need to further define what constituted a patentable “process”.

2.5 Since the patent application could be rejected under the precedents on non-patentability of abstract ideas, the U.S. Supreme Court once again declined to impose limitations on the Patent Act that were inconsistent with the Act’s text. However, nothing in the present opinion should be read as endorsing interpretations of §101 that the Federal Circuit had used in the past (see, e.g., *State Street Bank & Trust Co. v. Signature Financial Group Inc.*, 149 F.3d 1368 (Fed. Cir. 1998) of 23 July 1998 or *AT&T Corp. v. Excel Communications, Inc.*, 172 F.3d 1352 (Fed. Cir. 1999) of 14 April 1999). It might



be that the Federal Circuit thought it needed to make the machine-or-transformation test exclusive precisely because its case law had not adequately identified less extreme means of restricting business method patents. In disapproving an exclusive machine-or-transformation test, the U.S. Supreme Court by no means foreclosed the Federal Circuit's development of other limiting criteria.

2.6 Hence, although the machine-or-transformation test established by the CAFC was rejected as the sole test for evaluating patent-eligibility, the U.S. Supreme Court indicated that it intended neither to de-emphasise the test's usefulness nor to suggest that many patentable processes might lie beyond its reach. Whereas abstract ideas are not patentable, business methods are not categorically excluded. Other limiting criteria in this respect had to be developed by the CAFC.

2.7. In the end, what constitutes a patentable process has been left open. Nor do we know how a patentable process is distinguished from an abstract idea. In the U.S. Supreme Court's view, there may be patentable subject-matter beyond the limits set by the machine-or-transformation test, but possibly not very wide-ranging. Business methods may be patentable within certain limits to be established by some unknown test and/or applying the other patentability requirements more strictly. What this surplus over the machine-or-transformation test is, and where the line has to be drawn with respect to business methods, is now (again) left to the Federal Circuit with the advice to use the precedents of *Benson*, *Flook* and *Diehr* as guideposts and to forget about the *State Street Bank* approach as a fallback alternative.

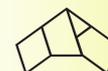
Remarks:

Whereas G 3/08 appears to settle the legal situation in the field of computer-implemented inventions in Europe for the time being and at least for some time to come, *Bilski* leaves important questions open in the United States. In consequence, both legal systems remain in a different state of legal certainty, and one can only speculate if and when the Federal Circuit might be able to close the existing gaps in legal construction.

From a European perspective, it is interesting to see that, on the one hand, abstract ideas are neither patentable in Europe nor in the United States and, on the other hand, business methods are not categorically excluded from patentability in both systems: in the United States because they fall under the broad meaning of "process" or "method" as patent-eligible subject-matter, in Europe because they are only excluded "as such". The delimiting criterion in Europe is the presence of technical character that is already realised by using any technical means. In so far, process patentability in Europe is necessarily tied to a machine, which need not be a "particular" one. In the United States, machine involvement does not appear to be a *sine qua non*, while for now any other delimiting criterion is lacking. Finally, in Europe a strict weeding exercise is carried out at the second hurdle of novelty and inventive step, also hinted at by the U.S. Supreme Court in *Bilski*.

Reported by Dr. Stefan Steinbrener





2. Advocates-General of the Court of Justice of the European Union: Incompatibility of the proposed Agreement aiming to create a Unified Patent Litigation System for the European Union with the European treaties (opinion of July 10, 2010 – Case A-1/09)

The European Council had referred to the Court of Justice of the European Union (ECJ) a request for an opinion on the compatibility of the current Draft Agreement aiming to create a Unified Patent Litigation System with the European treaties. The case was argued before the full court (27 Judges, 8 Advocates-General) on 18 May 2010. On 10 July 2010, the Opinion of Advocate-General Kokott, on behalf of all the Advocates-General, was delivered. For the original French version as well as an unofficial English translation, see www.eplawpatentblog.com. For a critical comment by Dr Jochen Pagenberg, see www.bardehle.com/en/news0.html.

The Opinion concludes that the Draft Agreement in its current form is incompatible with the European treaties; however, the shortcomings of the current draft are considered to be rectifiable:

First, the current provisions ensuring that the proposed European and EU Patent Court (EEUPC) fully applies Union law are insufficient. Second, no mechanism guaranteed observance by the EEUPC of its obligation to refer issues of interpretation or validity of Union law to the ECJ and, more broadly, observance of Union law as such. Third, the language system of the central division of the EEUPC impaired the rights of defence, a fundamental principle of Union law. Under the current draft, an action against an entity of a country which does not participate in any local or regional division of the proposed courts of first instance would be brought before the central division and the language of the proceedings would be that of the patent, namely German, English, or French. Fourth, no effective control by an independent court existed over decisions by the European Patent Office (EPO) refusing the grant of a European patent. The Advocates-General comment on various possible solutions, in particular to extend the competence of the EEUPC to include appeal proceedings against decisions of the EPO.

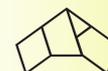
Reported by Dr. Tilman Müller-Stoy

3. German Federal Supreme Court rules that German courts have to consider decisions of the European Patent Office and of the courts of other EPC member states which are related to similar subject matter (decision of April 15, 2010 – Xa ZB 10/09 – Walzenformgebungsmaschine/Roller-forming-machine)

The Federal Supreme Court had to decide on an appeal against the cancellation of a utility model which was derived from a European Patent. The Federal Patent Court (previous instance) had cancelled the utility model without considering the decision of the European Patent Office which upheld the respective European patent in amended form. The Federal Supreme Court now confirmed its previous decision, according to which German courts have to consider decisions of the European Patent Office related to a similar subject matter (cf. Federal Supreme Court of May 5, 1998, X ZR 57/96 – Zahnkranzfräser/Gear rim mill). However, in the present case the Federal Supreme Court went further and extended these findings also to the decisions of foreign national courts. Accordingly, such decisions also have to be considered, especially in the event that the foreign national court or the European Patent Office have come to a decision on a similar subject matter which is not in compliance with the intended opinion of the German court. According to the Federal Supreme Court, the required consideration must include the full reasoning of the foreign national court or the EPO, and in particular also legal issues.

Notably, the Federal Supreme Court emphasized, on the other hand, that although it is desirable to have a unitary case law in Europe, the German courts are not bound by such other decisions, and that any decision of a German court which is not considering such other decisions, is not automatically defective and violating the right of the party to be heard in court proceedings. In such a case, it is rather decisive whether the facts and legal aspects which have not been considered by the court are to be regarded as sufficiently important that a violation of the party's right to be heard can be assumed.

All in all, the present decision reflects the ambition of the German Federal Supreme



Court (as is the ambition of other, foreign courts) to look beyond the national borders in order to create even more acceptable and comprehensive decisions in patent cases.

Reported by
Thomas Schachl



4. German Federal Supreme Court on whether a skilled person would combine the teachings of two different areas of the same technical field (decision of April 15, 2010 – Case Xa ZR69/06 – Telekommunikationseinrichtung/Telecommunication System).

Even if traditionally a gap existed between two sub-areas of a technical field (here: data transmission in a public communication network and data transmission by means of internet and LAN-technology), the skilled person might nevertheless consider suggestions from both areas for the solution of a technical problem, if applications and methods were already known at the priority date which cross the border between the two areas (here: Internet telephony), and if the same technical problem exists in both areas in a similar form.

In the decided case, the German part of a European patent was attacked in a post grant nullity procedure for alleged lack of inventiveness. The attacked main claim related to a method for transmitting data from a first to a second switch of a line switching network either by switching a line or by switching a package. According to the patent-in-suit, in the technical field of telecommunication basically two connecting or switching principles were known. The first one is the so-called line switching or circuit switching which is usually done by telecommunication devi-

ces belonging to the commercial telecommunication network or to digital ISDN-networks. The package-based switching is in turn based on transmitting data via single packages which are transferred via different stations. This transfer is, for example, typically done via the internet protocol (IP) and the internet network. In the decided case, main claim 1 was considered to be novel but rendered obvious for the person of average skill in the art in view of a combination of a prior art document related to package switching and the general technical knowledge of the skilled person in the relevant field, which is the field of line switching or circuit switching, respectively.

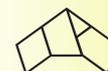
The proprietor had argued that the skilled person would not combine this general technical knowledge with the teaching of the mentioned prior art document, since the latter related to package switching, whereas the relevant skilled person was (only) trained in the field of line switching.

The Federal Supreme Court did not follow the opinion of the proprietor. According to the Court, at the priority date the skilled persons from both areas did have sufficient motivation to search for solutions for technical problems also in the respective other area, in particular in applications such as internet telephony, which is connected to both areas. Thus, solutions from two distinct technical areas of the same technical field may be combined by the skilled person, if at the priority date appliances or methods were already known which cross the border between the two technical areas, and if the technical problem occurs in both areas in similar form.

The Court confirmed the established practice that the teaching of two technical areas can be combined if the relevant skilled person is aware of appliances or methods crossing the border of both areas, and if the technical problem to be solved is pertinent to both areas.

Reported by
Joachim Mader





5. German Federal Supreme Court on staying infringement proceedings in cases in which the patentee asserts only a limited claim version as compared with the granted claim version (decision of May 6, 2010 – Case Xa ZR 70/08 – Maschinensatz/Machine Assembly)

If a patent is asserted in infringement proceedings with a limited claim version – which is defended in parallel invalidity proceedings – the limited claim version must be considered in the infringement proceedings even before a final decision in the invalidity proceedings is rendered.

The claimant sued the defendants for infringement of a European patent relating to electro-hydraulic machine assemblies. The District Court in first instance denied infringement. Shortly afterwards, the Federal Patent Court rendered its decision in the parallel invalidity proceedings brought by the defendants against the patent-in-suit (in Germany there is no invalidity defence or counter claim for invalidity available on the infringement side; validity is decided in separate invalidity proceedings; however, a stay of the infringement proceedings may be requested by the infringement defendant in view of parallel pending invalidity proceedings). The patent-in-suit was found partially invalid, the Federal Patent Court allowing the patent only with a limited claim version.

Thus, the claimant appealing against the District Court's decision in the infringement proceedings now only asserted this limited claim version in the infringement proceedings. While the Appeal Court affirmed the lower court's ruling denying infringement, it allowed a further legal appeal to the Federal Supreme Court.

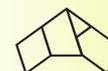
The Federal Supreme Court, disagreeing with the Appeal Court's analysis of claim construction and infringement, reversed the second instance decision and sent the case back to the Appeal Court to decide it anew, since not all of the relevant facts were yet established, and it not being the task of the Federal Supreme Court as an instance solely for legal review to do any fact finding in the infringement issue.

Very interesting, however, is what the Federal Supreme Court stated about the fact that in the infringement proceedings the limited claim version was asserted by the claimant. Given the separation of infringement and validity proceedings in Germany, this topic often becomes vital for the infringement claimant. Limiting the scope of protection (still covering the attacked product or process) is a strategic choice an infringement claimant is faced with if the patent-in-suit in its granted claim version is unlikely to be held completely valid in invalidity proceedings, and therefore a stay of the infringement proceedings appears to be likely. Therefore, the claimant may decide to assert redrafted, amended claims with a limited scope of protection, either from the beginning or after the infringement suit was filed. As in the present case, this situation may also arise after a (partial) first instance invalidation in parallel invalidity proceedings.

Notably, some well-reputed instance courts in Germany until the present decision had a strong tendency to rather automatically stay infringement proceedings if a limited claim version was asserted until a final decision on the validity was rendered. In their reasoning, these courts stated that the presumption of validity of an examined and granted patent would not apply in such cases, since the limited claim version had not been subject to examination.

In the light of this, the present decision of the Federal Supreme Court brings more clarity for infringement claimants who are considering their strategic options, and this should lead to a change in practice of the aforementioned instance courts. The reason for this is that the Federal Supreme Court held that if a claimant in infringement proceedings asserts only a limited claim version, the limitation(s) need(s) to be considered by the infringement court even before a final decision in the invalidity proceedings is rendered. The infringement court must interpret the limited claim version as asserted and also, on its own discretion, has to examine the question of the admissibility and patentability of this limited claim version.

Consequently, any automatic stay of the infringement proceedings seems to be ruled out. Thus, a stay may only be order-



ed if the infringement court arrives at its own prognosis that the limited claim version will be held inadmissible (e.g. for lack of clarity) or invalid in the invalidity proceedings.

Remarks:

The present decision brings more clarity for an infringement claimant in deciding on the best litigation strategy while the outcome of the validity proceeding is still uncertain. The procedural risks of the claimant asserting a limited claim version are thus clearly reduced.

However, the Federal Supreme Court did not expressly comment on another “parallel” issue: what is the effect of asserting a limited claim version in preliminary injunction proceedings for patent infringement?

Some infringement courts tend to be rather unwilling to grant a preliminary injunction if only a limited claim version – which was as such not examined by the Patent Office – is asserted. In the light of the present decision, there should be a change in this practice too, with the consequence that asserting a limited claim version may not as such preclude the grant of a preliminary injunction for patent infringement.

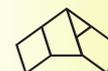
Reported by
Dr. Tilman Müller-Stoy



6. German Federal Supreme Court on the coherent interpretation of patent claims (Art. 69 EPC) in validity and infringement proceedings (decision of June 29, 2010 – Case X ZR 193/03 – Crimwerkzeug III/Crimping Tool III)

Claim interpretation consists of the determination of the scope of the claims by those skilled in the art, based on objective criteria. The mere argument that the Court of Appeals did wrongly interpret the patent claims in infringement appeal proceedings does not provide an admissible ground for the legal appeal. However, a valid ground for the legal appeal is given if the Federal Supreme Court applied in nullification appeal proceedings a claim interpretation which differs in a relevant point from the claim interpretation of the Court of Appeals applied in infringement appeal proceedings. In case the different claim interpretation of the Federal Supreme Court in the nullification appeal proceedings becomes apparent only after the term for lodging the legal appeal has expired, a request for *restitutio in integrum* may be filed.

In the present case, the Court of Appeals of Karlsruhe rendered a decision on November 26, 2003 confirming the infringement of the German part of the European patent 0 542 144 (patent-in-suit) relating to a crimping tool. This decision was based on a certain interpretation of the claim features of claim 1 of the patent-in-suit. As the Court of Appeals did not consider the case to involve unsolved fundamental legal issues, or requiring a Federal Supreme Court decision in order to ensure unitary case law in view of diverging decisions of other Courts of Appeal, the Court of Appeal did not allow in its decision a legal appeal (“Revision”, see §§ 542 ff German Civil Procedure Code) to the Federal Supreme Court. Under German procedural law, such refusal to allow a legal appeal may be appealed with the Federal Supreme Court itself (having the “last word”) by an extraordinary appeal (“Nichtzulassungsbeschwerde”, see § 544 German Civil Procedure Code). Therefore, the defendant lodged such extraordinary appeal against the decision of the Court of Appeals not to allow the legal appeal with the Federal Supreme Court – requesting to allow the legal appeal.



In parallel to the pending infringement proceedings, in order to challenge the validity of the patent-in-suit, the defendant also filed a nullification action with the Federal Patent Court in Munich, the decision of which was also appealed to the Federal Supreme Court.

Thus, simultaneously, two proceedings based on the same patent were pending before the Federal Supreme Court, the first being the extraordinary appeal proceedings against the refusal of the Court of Appeals of Karlsruhe to admit the legal appeal on the infringement side, the second being the appeal proceedings against the decision of the Federal Patent Court concerning the validity of the patent-in-suit. In view of the two co-pending proceedings, the Federal Supreme Court decided to suspend the appeal proceedings concerning the legal appeal until it finally decided on the validity of the patent-in-suit.

On March 12, 2009, the Federal Supreme Court decided on validity (Xa ZR 158/04, GRUR 2009, 835 – Crimping Tool II), and maintained the patent-in-suit based on a claim interpretation which differed in a major point from the claim interpretation provided by the Court of Appeals of Karlsruhe in the infringement appeal decision. It was apparent that if the Court of Appeals had used the claim interpretation provided by the Federal Supreme Court, it would have found the patent not infringed, contrary to its earlier decision.

Subsequently, the suspended extraordinary appeal proceedings before the Federal Supreme Court concerning the admission of the legal appeal were reopened. The appellant (now additionally) argued that the legal appeal proceedings should be (also) admitted, because the Court of Appeals of Karlsruhe did apply a “wrong” claim interpretation diverging from the “correct” claim interpretation provided by the Federal Supreme Court. If, however, the “correct” claim interpretation would have been used by the Court of Appeals, the infringement of the patent-in-suit should have been denied.

In its present decision concerning the legal appeal, the Federal Supreme Court initially pointed out that in order to admit a legal appeal, at least one of the statutory grounds for legal appeal has to be

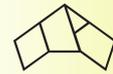
given (§543 (2) German Civil Procedure Code). By itself, an allegedly “wrong” claim interpretation by the infringement appeal court is not representing such a statutory ground for admitting a legal appeal. If, however, “particular conditions” are additionally given which significantly influence the public interest, the situation might be different. Such “particular conditions” were confirmed by the Federal Supreme Court if – as in the present case – the “wrong” interpretation of decisive claim features by the Court of Appeal does result in a “wrong infringement decision”.

The Federal Supreme Court also decided that, in case the final decision of the Federal Supreme Court in the validity appeal proceedings is provided only after the term for lodging the legal appeal expired, it is possible for the parties to “re-open” the extraordinary appeal proceedings by filing a request for *restitutio in integrum*.

Remarks:

It is a typical feature of German patent proceedings that the infringement appeal decision rendered by a Court of Appeals is usually much earlier available than the validity appeal decision rendered by the Federal Supreme Court (usually 2-2,5 years vs. 4-5 years). This regularly resulted in the problem that in a number of cases the infringement appeal court rendered its decision without knowing the “correct” claim interpretation finally used by the Federal Supreme Court in its validity appeal decision. In some cases (as in the present one) this may have resulted in “wrong” infringement decisions. Up to now, it was very difficult, if at all possible, to correct this defect.

From the present decision, the following may be derived: It is fundamentally important that patent claims are coherently interpreted in infringement and validity proceedings, notwithstanding that both issues are handled by different types of courts. Thus, it is not possible for one court to ignore the findings of the other, and vice versa. Secondly, if an infringement court of appeals applied a wrong claim interpretation, and the “correct” claim interpretation (rendered by the Federal Supreme Court) becomes available only after the infringement appeal



decision became final, there is still the possibility to have the infringement decision effectively corrected by filing a request for *restitutio in integrum*.

Reported by
Peter K. Hess



the marks were similar; relying on earlier cases relating to conflicts between personal names. Barbara Becker's further appeal resulted in an annulment of the decision and remand to the General Court.

The General Court had based its finding of conceptual similarity on the argument that European consumers in parts of the Union attribute greater distinctiveness to surnames rather than forenames, that the alleged fame of Barbara Becker in Germany had no effect on the similarity, and that the component "Becker" in the contested mark retained an independent distinctive role in the composite mark because it would be perceived as a surname. The ECJ found this reasoning deficient because it was based on general considerations and did not take into account all the circumstances of the case:

"36 Although it is possible that, in a part of the European Union, surnames have, as a general rule, a more distinctive character than forenames, it is appropriate, however, to take account of factors specific to the case and, in particular, the fact that the surname concerned is unusual or, on the contrary, very common, which is likely to have an effect on that distinctive character. That is true of the surname "Becker" which the Board of Appeal noted is common.

37 Account must also be taken of whether the person who requests that his first name and surname, taken together, be registered as a trademark is well known, since that factor may obviously influence the perception of the mark by the relevant public.

38 Furthermore, it must be held that, in a composite mark, a surname does not retain an independent distinctive role in every case solely because it will be perceived as a surname. The finding with respect to such a role may be based only on an examination of all the relevant factors of each case.

39 Moreover, as the Advocate General pointed out in essence, in point 59 of his Opinion, the grounds relied on by the General Court in order to conclude that the marks at issue are conceptually similar, if they were held to be consistent with

7. Court of Justice of the European Union: Finding of similarity between BECKER and "Barbara Becker" based on erroneous assumptions – Similarity of marks (decision [Fourth Chamber] of June 24, 2010, Case C-51/09 P – Barbara Becker v OHIM – BECKER/Barbara Becker)

Barbara Becker, the ex-wife of former tennis star Boris Becker, sought registration of her name, "Barbara Becker", as Community trademark (CTM) for goods in cl. 9. An opposition was filed by Harman International Industries, a U.S. company exercising inter alia the rights in the name BECKER derived from Boris Becker. The opposition was based on CTMs BECKER ONLINE PRO and BECKER, registered also for goods in cl.9.

OHIM's Opposition Division found likelihood of confusion and rejected the opposition. OHIM's Board of Appeal reversed (R 502/2006-1). Harman's appeal resulted in an annulment of the Board decision (Case T-212/07). The Court of First Instance (now General Court) held that



Article 8(1)(b) of Regulation No 40/94, would result in acknowledging that any surname which constitutes an earlier mark could be effectively relied on to oppose registration of a mark composed of a first name and that surname, even though, for example, the surname was common or the addition of the first name would have an effect, from a conceptual point of view, on the perception by the relevant public of the composite mark.

40 It follows from all the foregoing that the General Court erred in law in basing its assessment of the conceptual similarity of the marks on general considerations taken from the case-law without analysing all the relevant factors specific to the case, in disregard of the requirement of an overall assessment of the likelihood of confusion, taking account of all factors relevant to the circumstances of the case, and based on the overall impression produced by the marks at issue.”

Remarks:

The judgment demonstrates very well the risks in applying apparently well-established principles and rules to specific factual constellations. For example, applying without careful analysis the principle of the LIFE/THOMSON LIFE case (Medion v Thomson, Case C-120/04) to all cases where a later mark contains an element identical with or similar to an earlier mark may well lead to “overprotecting” marks, notably when the earlier mark is very “weak” or of doubtful validity on account of its descriptive content, especially when the common component is of secondary significance in the overall impression of the composite mark. For example, in the hypothetical cases of an earlier mark consisting of the words BROWN, GONZALEZ, or SCHMIDT, all very common surnames in their parts of the Union, it would be difficult to find a relevant conflict when the later mark was GORDON BROWN, FELIPE GONZALEZ, or HELMUT SCHMIDT, all famous political personalities.

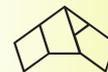
The General Court will now have to reassess the conflict by taking account of all the factual circumstances. This appears entirely appropriate. Whether Harman will in the end prevail or not remains to be seen. On a factual level, it may well appear doubtful that Ms.

Barbara Becker is indeed well-known in all the relevant parts of the Union, and perhaps Mr. Becker is at least as famous, and that may well reflect on the degree of the distinctiveness of the Becker surname. That “Becker” is a common surname may well be true in Germany, but this is obviously not the case in other parts of the Union.

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

8. Court of Justice of the European Union: Czech BUDWEISER prevails over American BUDWEISER in opposition proceedings – Proof of renewal of earlier mark (decision [Fourth Chamber] of July 29, 2010 – Case C-214/09 P – Anheuser-Busch Inc. v OHIM – Budejovicky Budvar, n.p. – BUDWEISER)

Budejovicky Budvar, the Czech company producing BUDWEISER beer and proprietor of the mark BUDWEISER for beer in a number of EU Member States, brought an opposition to the registration of BUDWEISER by Anheuser-Busch, also proprietor of the mark BUDWEISER in a large number of EU Member States. It was not disputed that Budejovicky Budvar’s marks were earlier to Anheuser-Busch’s CTM application, and that the goods were the same. Instead, the issues in this case were procedural, especially involving the question whether Budejovicky Budvar had made timely proof of the continued validity of its earlier marks and whether genuine use of these marks had been proven.



BARDEHLE
PAGENBERG
DOST
ALTENBURG
GEISSLER

The case belongs to the ongoing contest between Anheuser-Busch and the Czech Budvar company about the use and registration of BUDWEISER (and a myriad of similar marks), which has reached the ECJ on various occasions in preliminary ruling proceedings, and on appeal from OHIM, and further cases are in the pipeline.

Anheuser Busch's application was filed on April 1st, 1996, i.e. more than 14 years before the present decision. OHIM's Opposition Division had twice rejected the application, having once been reversed for having based the decision on a BUDWEISER mark with a later date than the contested application (!); the currently contested decision of the Board of Appeal (R 299/2006-2) dates from March 20, 2007. The Court of First Instance (now General Court) had dismissed Anheuser-Busch's appeal by judgment of March 25, 2009 (Case T-191/07).

Anheuser-Busch sought annulment of the decision on procedural grounds, claiming that Budejovicky Budvar had not presented proof of renewal of its mark in due time, and that the General Court had erroneously held that genuine use of the earlier mark was proved.

As to the first issue, the ECJ concludes that in cases where an earlier registered mark expires after the notice of opposition has been filed the proprietor of that mark is (at least under the law as it was prior to the subsequent amendment of the Implementing Regulation in 2005) under no obligation to submit proof of renewal on its own motion, and that the proof actually submitted, upon request by OHIM, was submitted in due time.

As to the second issue, Anheuser-Busch's claim that the proof of use related to a mark different from that actually taken into account was rejected as inadmissible because it had not properly been pleaded before the General Court.

Remarks:

The judgment was widely noticed in the news media where it was often presented as precluding Anheuser-Busch from using its BUDWEISER mark in Europe. The case had in fact little to do with the use in Europe, where Anheuser-Busch is using

and can continue the use of its mark in all the Member States where it has better or at least concurrent rights, as can the Czech Budvar company. Both are unlikely ever to obtain a Community trademark for beer, as they block each other with their respective national rights.

The judgment itself is remarkable as further evidence of the tenacity with which the conflict is fought out everywhere until the last instance. The result and the legal principles and rules applied appear unobjectionable.

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

9. Court of Justice of the European Union: Similarity of marks – No similarity between Calvin Klein's famous CK monogram and CK CREACIONES KENNYA (decision [First Chamber] of September 2, 2010 – Case C-254/09 P – Calvin Klein Trademark Trust v OHIM – CK)

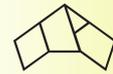
A Spanish company, Zafra Morroquinos SL, sought Community trademark (CTM) registration of the word mark CK CREACIONES KENNYA for goods in cl. 18 and 25. An opposition was filed by the Calvin Klein Trademark Trust, which invoked an earlier CTM and two earlier Spanish marks, protected for identical goods. The conflicting marks thus were the following:

Earlier marks



Later mark

CK CREACIONES KENNYA



OHIM's Opposition Division dismissed the opposition, the dismissal was confirmed by the Board of Appeal (R 314/2006-2). An appeal to the General Court (then still Court of First Instance) was unsuccessful (decision of May 7, 2009, Case T-185/07). The General Court held that the marks were absolutely dissimilar; thus the arguments of enhanced reputation were not taken into account. Calvin Klein's further appeal to the ECJ was dismissed.

As regards likelihood of confusion, Calvin Klein argued that the applicant was using the mark in a manner very similar to its own use, namely with large CK letters and a small addition 'Creaciones Kennya'. The ECJ dismissed this argument because in an opposition proceeding the actual use made of the contested mark was not relevant: "... the similarity of the marks in issue must be assessed from the point of view of the average consumer by referring to the intrinsic qualities of the mark and not to circumstances relating to the conduct of the person applying for a Community trademark." The alleged distortion of facts by the General Court was dismissed as no evidence was produced to this effect. The argument that the General Court failed to take into account the reputation of the earlier marks was dismissed because, in the ECJ's view, the General Court had correctly determined that the conflicting marks were not similar:

"56 It must be observed in that connection that, contrary to what appears to be stated at paragraph 39 of the judgment under appeal, the existence of a similarity between two marks does not presuppose that their common component forms the dominant element within the overall impression created by the mark applied for. According to established case law, in order to assess the similarity of two marks, it is necessary to consider each of the marks as a whole, although that does not rule out the possibility that the overall impression created in the mind of the relevant public by a complex trade mark may, in certain circumstances, be dominated by one or more of its components. However, it is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element (see OHIM v Shaker, paragraphs 41 and 42; the judgment of 20

September 2007 in Case C 193/06 P Nestlé v OHIM, paragraphs 42 and 43; and Aceites del Sur-Coosur v Koipe, paragraph 62). In that connection, it is sufficient for the common component not to be negligible.

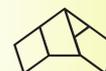
57 However, it is clear that the General Court found, first, that the overall impression created by the mark applied for is dominated by the element 'creaciones kennya', on which the consumer concerned will to a very great extent focus his attention and, second, in particular at paragraph 44 of the judgment under appeal, that the element 'ck' occupies only an ancillary position in relation to that element, which, in essence, amounts to a conclusion that the element 'ck' in the mark applied for is negligible.

58 Thus, having ruled out, on the basis of a properly conducted analysis, any similarity between the marks at issue, the General Court correctly concluded, at paragraphs 53 to 57 of the judgment under appeal, that, notwithstanding the reputation of the earlier marks and the fact that the goods covered by the marks at issue are identical, there is no likelihood of confusion between the marks."

As regards protection of marks with reputation pursuant to Article 8 (5) CTMR, the decision of the General Court was confirmed because that protection also requires a finding of similarity of the conflicting marks.

Remarks:

The legal standards for examining similarity of marks are well-established by now, and they have been accurately repeated by the ECJ in the present case, notably in paragraph 56 above. The General Court had applied an erroneous rule, namely that similarity presupposes that the common element dominates the contested mark. This "dominance" theory, found in earlier ECJ decisions, has been abandoned in favour of the more flexible approach found in the three cases cited in paragraph 59, and in the earlier LIFE/THOMSON LIFE judgment (Medion v Thomson, Case C-120/04), a judgment surprisingly not even mentioned in the present case. It therefore would have appeared to be correct for the ECJ to reverse the General Court's judgment and



BARDEHLE
PAGENBERG
DOST
ALTENBURG
GEISSLER

remand the case for this court to examine the conflict under the correct standard. The ECJ however concludes on its own (even though similarity judgments are issues of fact) that the findings of the General Court “amount to a conclusion that the element ‘ck’ in the mark applied for is negligible.” This is regrettable. The proprietors of famous marks will be disappointed because the ruling allows a competitor to “steal” the famous CK monogram and incorporate it in his own mark. There is little consolation found in the fact that the use of the mark may still be prohibited, and that the mark may be subject to cancellation on grounds of bad faith.

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



In the first case, the owner of the mark OFFROAD raised claims against the use of the designation AUTOMOBIL OFFROAD in the field of newspapers and magazines specializing in cars. In the second case, the conflicting signs were MIXI and KOHLERMIXI, both used for kitchenware. The Federal Supreme Court held that there was no likelihood of confusion between the conflicting signs, in both cases.

In the OFFROAD case, the Court held that the designation OFFROAD had no independent distinctive role in the contested composite sign AUTOMOBIL OFFROAD. In its reasoning the Court found the dissimilar element AUTOMOBIL to be descriptive. Therefore, the (identical) element OFFROAD could not be considered to have an independent distinctive role. Thus, the sign AUTOMOBIL OFFROAD had to be taken into account as a whole. As the sign AUTOMOBIL OFFROAD could not be divided into two elements, the Court held that there was no likelihood of confusion with the trademark OFFROAD.

In the MIXI case, the Federal Supreme Court also denied a likelihood of confusion on the basis of the consideration that the prior mark MIXI did not have an independent distinctive role in the contested designation KOHLERMIXI.

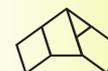
The Federal Supreme Court stated that the sign MIXI is of low distinctiveness for kitchenware. However, this in itself was not decisive for the assessment of likelihood of confusion. The Court simply found that the element KOHLER being the company name of the defendant did not have an independent distinctive role as it is not well-known in the trade circles. Therefore, the public would perceive the designation KOHLERMIXI as a whole and not perceive the element MIXI itself as an indication as to the origin.

Remarks:

Both decisions make explicit reference to the famous THOMSON LIFE decision of the ECJ which set out the requirements of likelihood of confusion in cases where a prior mark is used in a later composite sign. However, these cases also show that the application of the legal concept of an independent distinctive role under German trademark law still needs to be further specified and discussed.

10. German Federal Supreme Court on the requirements of an independent distinctive role where designations of low distinctiveness are involved (decision of December 2, 2009 – Case I ZR 44/07 – OFFROAD and decision of November 11, 2009 – Case I ZR 142/07 – MIXI)

The German Federal Supreme Court decided two cases in trademark conflicts where a prior trademark of low distinctiveness is used in a composite sign. In both cases, the Federal Supreme Court denied risk of confusion and held that – for different reasons – the prior trademark with its descriptive character does not have an independent distinctive role in the contested composite sign.



The KOHLERMIXI case is in line with the ECJ's criteria, because MIXI was found not to be independently distinctive in the mark KOHLERMIXI. The result might have been different if KOHLER had been a well-known company name so that the public would have had good reasons to see the KOHLER element separately from the MIXI element. However, the OFFROAD decision should be further discussed. When applying the criteria set out by the Federal Supreme Court, likelihood of confusion would have to be denied in any cases where a prior mark is used in a composite sign together with a descriptive element. As a consequence, trademark owners could not claim rights in cases where the trademark is used in combination with a descriptive element.

Even if the decision as such, denying claims asserted based upon the descriptive trademark OFFROAD, seems to be right insofar as this prior mark is indeed highly descriptive for the goods at issue, the Court could have raised better arguments, consistent with the European case law. It could have taken into consideration that, according to Sec. 23 German Trademark Act or Art. 12 CTMR, the proprietor is not entitled to prohibit a third party from using descriptive signs. Or the Court could have – instead of arguing with the descriptive nature of the element AUTOMOBIL – considered that the element OFFROAD itself is of low or no distinctiveness. As a consequence, the Court could have found that an element that lacks distinctiveness cannot have an independent distinctive role in a composite sign.

These two decisions show that German jurisdiction applies the legal concept of the independent distinctive role as developed by the ECJ in the THOMSON LIFE decision. But the present OFFROAD and MIXI decisions are an indication that some important aspects of this legal concept, in particular with regards to signs or elements of low distinctiveness, still need to be clarified and further developed.

Reported
by Pascal Böhner



11. German Federal Supreme Court on strengthening the position of the principal in cases of an *agent illoyal* (decision of January 21, 2010 – Case I ZR 206/07 – DISC)

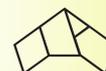
A foreign trademark right acquired by use qualifies as a principal's mark and may prevail over an agent's domestic word mark even if the word portion had to be disclaimed abroad.

The dispute concerned an agent of the owner of the trademark "DISC" which was previously used in the US, but only applied for and registered as a US trademark in a certain design subsequent to the registration of the mark of the agent in Germany. Further, the agent had registered what could be understood as a German version of the trademark of the owner (the principal), namely "DISG" instead of "DISC". Moreover, the eventual US registration of the owner showed the disclaimer "no claim is made to the exclusive right to use "DISC" apart from the mark as shown".

Finally, the agent's marks were registered in Germany, and via the Madrid system also in other countries. They were transferred to a successor who also acted as a distribution agent for the owner, and then to a successor who was not an agent of the principal. As the distribution agreement had expired, the principal requested inter alia a transfer of the German and Madrid marks originally registered by the agent and ultimately transferred to the defendant.

Art. 6 septies of the Paris Convention and the corresponding provisions of the German Trademark Act grant a claim to the cancellation or the transfer of a trademark registered by the agent, if the principal owns "the trademark" in another Convention country. German practice so far required that the principal's trademark was the prior one and, if the marks are not the same, the existence of likelihood of confusion.

Consequently, the defence was built on the following arguments: (a) the mark applied for was prior to the owner's US registration; (b) it was not the same mark, rather the owner's mark did only protect the design, while it did not protect the word "DISC" and can thus not reach out



BARDEHLE
PAGENBERG
DOST
ALTENBURG
GEISSLER

to the mark “DISG” for likelihood of confusion.

The Federal Supreme Court held that even a foreign unregistered trademark right obtained on the basis of mere use of the mark in commerce qualifies for the principal's mark. Further, the *ratio legis* is to protect the principal from undue impairment from the part of the agent. Therefore, the principal is to be protected from trademark registrations of the agent which could stop him from registering his own mark. For this purpose, a hypothetical test of a trademark conflict has to be made in which the principal's mark is taken into consideration as if it was a domestic trademark registration. Resulting from this test, the Court found that the principal would have obtained protection domestically for “DISC” since this mark is not perceived as a descriptive term in Germany.

Reported by
Peter J. A. Munzinger



12. Frankfurt Appeal Court puts an end to long-time trademark conflict between wine traders (decision of May 27, 2010 – Case 6 U 243/08 – Castell)

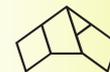
In the first instance, the German claimant “Fürstlich Castell'sches Domänenamt Albrecht Fürst zu Castell-Castell” had been successful in preventing the defendant from distributing wines under the designation “Castel” in Germany (Frankfurt District Court, decision of October 30, 2008). With its decision of May 27, 2010 the Frankfurt Appeal Court mainly confirmed the appeal and in essence concluded that the word mark “Castell” does not dominate the company name of the claimant.

In particular, “Castell” was not used as a keyword of the company name or in an isolated position. The decisive point in time had been before 1966, because the defendant held rights to “Castel” in terms of a figurative mark protected in Germany since 1966, which in both instances was deemed to be genuinely used and, thus, valid. Moreover, “Castell” was not deemed to be distinctive on its own, there being a wine growing community of that name in the region of Franken where the claimant is domiciled.

In consequence, the solely relevant, full company name “Fürstlich Castell'sches Domänenamt Albrecht Fürst zu Castell-Castell” was not deemed to be sufficiently similar in comparison to the accused mark “Castel”. Therefore, the Frankfurt Appeal Court denied any sufficient likelihood of confusion on the part of the consumers. In addition to that, claims based on trademark law were dismissed for lack of priority.

The case was not admitted for revision. It remains to be seen whether the claimant will appeal this and whether the Federal Supreme Court admits this appeal. Only then would the Federal Supreme Court have the opportunity to review the decision of the Frankfurt Appeal Court. Attorneys of Bardehle Pagenberg successfully represented Castel Frères S.A. before the Frankfurt Appeal Court.

Reported by Dr. Henning Hartwig

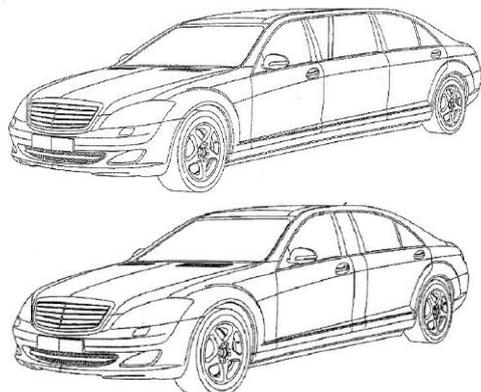


German Federal Supreme Court for the first time decides on substantive requirements of a Community design law (decision of April 22, 2010 – Case I ZR 89/08 – Stretch Limousine)

The public has been waiting for this premiere for years. On April 22, 2010, eight years after entry into effect of the Community Design Regulation (CDR), the German Federal Supreme Court decided for the first time on substantial requirements for determining validity and infringement of a Community design.

The claimant, Daimler AG, challenged production and distribution of expanded limousines of the current S-Class (type series W 221) by the defendant (a company that transforms brand cars into “stretch limousines” and brings them to market). The defendant claimed that the two asserted Community design rights – which had illustrations of expanded limousines of the current S-Class as their subject matter – lacked individual character and, furthermore, any persisting rights had been exhausted when the defendant acquired the challenged vehicles as originals from the claimant (see below).

Asserted Community designs



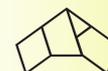
Challenged designs



Now, the German Federal Supreme Court confirmed the two lower instance decisions, which both considered the two asserted Community design as valid and infringed:

Whether a Community design has sufficient individual character (Article 6 CDR) is to be established by individual comparison with already existing designs. Insofar as the defendant referred to the claimant’s prior Community design covering the standard version of the S-Class (series W 221), this would not be, according to the Court, valid prior art, given that at the relevant priority date of the asserted Community designs publication of the prior design was deferred and, therefore, “could not reasonably have become known in the normal course of business to the circles specialised in the sector concerned, operating within the Community” Article 7 CDR); a general search for registered or not yet registered Community designs that had not yet been published was not possible under the Community design scheme. Furthermore, the lower instance had correctly assumed that, even though the asserted designs-in-suit adopted the features of the front and back of the prior design, the later designs would produce a clearly different overall impression.

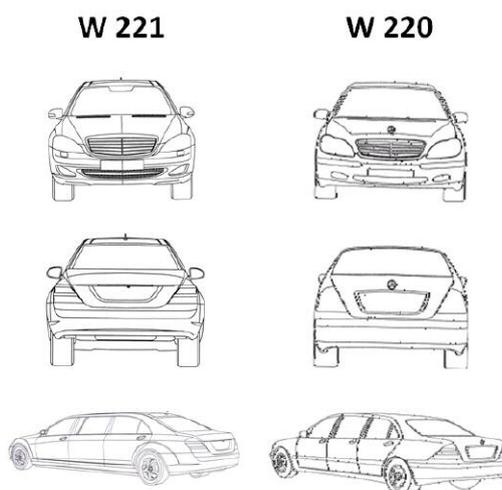
When considering the infringement of the asserted designs pursuant to Article 10 CDR, the determination of the overall impression of these designs, according to the Court, does not solely depend on the features by which these designs could be distinguished from prior art, at least not if the prior design, as in the present case, was not made available to the public before the registration of the asserted designs. Furthermore, the rights of the asserted design were not exhausted (Article 21 CDR) given that the claimant had not (yet) released any physical products corresponding to the asserted designs onto the market, but rather motor vehicles of the standard S-Class version. These vehicles clearly differ from the asserted designs in their respective overall impression. As for the content and territorial scope of main claims and additional claims, the Supreme Court finally affirmed community-wide injunctive relief.



BARDEHLE
PAGENBERG
DOST
ALTENBURG
GEISSLER

Remarks:

The decision above confirms essential principles which were developed from lower instances over the last years. However, the defendant also submitted prior art in the form of the preceding S-Class version (type series W 220) in the lower instances (both the standard as well as the extended version). The Stuttgart Appeal Court had held that this design corpus differed substantially, with respect to the individual features and in its overall impression, from the two designs-in-suit (see below).



According to the Stuttgart Appeal Court, one must take into consideration that due to “market interests”, the claimant’s “possibilities in developing the asserted design” were limited. For, people would expect that, on the one hand, the new W 221 type would stand for a “modernization of the form of appearance” but, on the other hand, the “characteristic appearance would be “preserved (as usual in case of branded cars)“. Unfortunately, the defendant no longer referred to this prior art in the proceedings before the Supreme Court, which is why this Court was unable to comment on the deliberations of the lower instance.

Reported by
Dr. Henning Hartwig



IMPRINT

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

Editors:
Dr. Henning Hartwig
Dr. Tilman Müller-Stoy

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 (www.patentepi.com) and the Regulation on Discipline issued by the Administrative Council of the European Patent Organisation (<http://www.patentepi.com>)

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://www.patentanwalt.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.eu/> is applicable to all lawyers at BARDEHLE PAGENBERG.