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# World Trademark Review™



## The dilution question

Why protection for well-known marks  
is being watered down in China

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# Germany

**Germany is Europe's largest economy, so careful consideration should be given as to how best to protect trademarks in this key jurisdiction**

As Europe's largest market, Germany is often part of brand owners' European trademark filing strategies. However, because of the strategic, legal and financial issues involved, finding the best way to obtain trademark protection in Germany is a venture that requires experience and a careful balancing of the available options. Much depends on each individual case. The following guidelines are designed to help brand owners optimize their trademark protection.

## **National, international or Community trademarks**

A trademark registration for the territory of Germany can be obtained in three ways, namely:

- by way of a national German trademark registration;
- by way of a country extension of an international registration under the Madrid system; or
- by way of a Community trademark (CTM) covering the European Union.

The question of which route to follow depends on strategic aspects and on the character of the trademark concerned.

National trademarks allow a fast route to protection for Germany, with an opportunity to extend that protection to other countries by way of an international registration on a fairly inexpensive basis. National trademarks are open to opposition only after they have been registered – which gives mark owners faster access to registration and enough time to negotiate with possible opponents. Furthermore, the German Patent and Trademark Office (PTO) offers an accelerated examination procedure resulting in registration within two to three months of filing, to ensure that applications that will be the basis of international registrations are prioritized.

International registrations are advisable when only a few of the EU member states or various non-EU countries need to be

covered. A national German registration would be a good basis for such an application as Germany is a party to both the Madrid Agreement and the Madrid Protocol – giving a German-based application access to all Madrid system countries. Furthermore, an international registration is advisable if the trademark is likely to be opposed, as successful objection/opposition would let the registration fail only in the particular country of objection/opposition. The use requirement for each designated country, however, can be a significant disadvantage.

CTM registrations are an inexpensive way to obtain protection in 27 countries through one proceeding, with use in only one country maintaining the protection for the entire European Union. However, Switzerland (a German-speaking country) is not covered, proceedings are rather slow (opposition proceedings are dealt with prior to registration), opposition is possible from any country in the European Union and oppositions endanger the trademark in its entirety, even if the objections are raised in one country only.

## **Specification of goods and services**

All the relevant trademark registries – the German PTO, the World Intellectual Property Organization and the Office for Harmonization in the Internal Market (OHIM) – apply the Nice Classification. However, the proper classification of individual goods and services, as well as the interpretation of class headings, may differ. For example, under the German approach, class headings do not cover all goods in the class, but only those goods covered by the respective term. In contrast, OHIM's approach allows the complete set of class headings of a class to mean "all goods in this class".

## **Trademark searches**

Identity searches for all three kinds of trademarks (German national trademarks, international trademarks and CTMs) are vital before filing any trademark. However, in most cases trademarks are developed from a range of different proposals which are tested as regards consumer acceptance,

compliance with marketing requirements and corporate identity, among other things. Once a specific trademark has been selected, investments are made and time is of the essence. Thus, identity searches should be conducted as early as possible in the trademark development process to filter out unsuitable candidates.

Full availability searches should be conducted well in advance of the application/use of a trademark as the disclosure of senior trademarks may require further investigation or negotiations, which require time. However, full availability searches as part of international prosecution may be limited, for cost reasons, to the home country of the trademark owner and key foreign countries, while identity searches may be conducted for the other countries. German courts expect trademark owners/users to involve legal experts. Not conducting searches is regarded as negligence, allowing the courts to order damage compensation in case of trademark infringement.

## **Single elements v combinations**

The question of what to register as a trademark should start with an analysis of those features of the product that the company regards as the proprietary assets of the product – the product name, a logo, certain aspects of the product packaging, a slogan, a colour and whatever the company claims to be part of the overall product – seen from a marketing perspective. These brand features should be protected – if possible, individually.

Combination marks may well include a component that will help trump any likelihood of confusion with prior marks. However, under German practice, combination marks may become vulnerable to cancellation for non-use five years after registration if the mark components are used not as one unitary trademark but as designations that appear as two independent trademarks because of their difference in script, size, colour or position. Such split use may also amount to trademark infringement – which would be avoided by use of the components as a unitary designation. Protecting individual

brand features as separate trademarks instead makes it more likely that the trademark owner will have to prove that its marks are not confusingly similar to prior signs. Conversely, though, it will be unlikely that the mark will not be used as registered.

Whenever a branding feature appears not to qualify for trademark registration because it lacks distinctiveness, the filing of a combination of that feature together with another distinctive element could prove to be a valid alternative. In such case, the trademark owner should not expect too much from the trademark as its protection would derive from the added component – insofar as any likelihood of confusion with a prior trademark will derive from the addition of that second component. However, the incoherent practice of the German PTO and of OHIM as regards the question where to draw the appropriate line between distinctive and descriptive terms or devices, combined with the fact that the German trademark registry does not provide disclaimers for the non-distinctive components of combination marks, makes it difficult in many cases to distinguish the distinctive components of a combination mark from those that are non-distinctive. This, in turn, may cause uncertainty among competitors and thus keep them a healthy distance from the compound trademark.

#### Marketing support for non-traditional trademarks

Whenever a company uses a non-traditional trademark, it should consider that the trademark authorities usually regard colours and shapes, and more unusual signs such as smells or movements, as mere design elements or advertising features. These signs qualify for registration as trademarks only once they are recognized as designations of origin among the relevant business circles through intensive use and advertising. However, it is not because a branding feature has never been used by other parties that business circles will automatically consider it as a badge of origin from a specific undertaking. It is therefore necessary to educate the relevant circles about the trademark function of the feature in question. This requires not only that the non-traditional designations be used intensively, but that their function as trademarks be explained to the public in advertising. The colour, shape or other designation should be expressively addressed in advertising messages as being inherent to the product, such as in the slogan: “ADO curtains – the ones with the golden selvage.”



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#### Design registrations to support 3D marks

The protection of three-dimensional trademarks should be supported by the registration of corresponding designs. Design applications do not undergo material examination as to their novelty and individual character, so the value of registration becomes clear only when it is put to the test of a lawsuit over an alleged infringement. However, the design registration may be enough of a deterrent for competitors to avoid using a similar design. In addition, a design registration may grant the rights owner the time needed for the design to acquire distinctiveness through use.

#### Registration of corresponding domain names

The efforts to protect a new trademark should be accompanied by the registration of corresponding domain names.

The domain name should be registered at the time of filing the trademark application, if not when the trademark is still at the clearance phase. To avoid the disclosure of marketing plans early in the process, domain names can be registered by entities that are not obviously linked to the brand owner, such as the marketing agency handling the name finding process. However, appropriate provisions must be put in place to ensure that the domain names are transferred to the brand owner as soon as the trademark selection has been completed.

The registration of domain names should be limited to the country-code top-level domains (ccTLDs) of the home country of the trademark owner and the main export countries, in addition to the main generic TLDs such as ‘.com’, ‘.biz’ and ‘.info’. Registering domain names under all existing and new TLDs is unnecessary as customers will search for the brand owner's website via search engines or by typing the most intuitive domain name, which is likely to be the right one. So money can be saved and invested instead into means of optimizing search engine results. [WTR](#)