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Germany

Germany's long tradition of trademark right enforcement ensures that brand owners are well protected. However, the recent implementation of the EU Unfair Commercial Practices Directive and the IP Rights Enforcement Directive introduced some small but noteworthy changes

Enforcement of trademarks and similar rights has a long tradition in Germany. The first German Trademark Act came into force in 1874. Trademark matters are by law referred to specific courts in a region so that judges experienced in these matters deal with such cases.

The EU Unfair Commercial Practices Directive (2005/29/EC) was implemented into German law in September 2008, while the IP Rights Enforcement Directive (2004/48/EC) was implemented into German law in January 2009. The directives seek to harmonize legal standards regarding intellectual property within the European Union. Since German legal standards in this respect were always high, on the whole no significant changes are to be expected.

According to the current German Trademark Act, mark owners are entitled to an exclusive right to use the mark in relation to the protected goods or services. Rights holders can therefore prohibit third parties from using identical or similar signs if there is a likelihood of confusion. The existence of a likelihood of confusion is a legal question to be decided by the courts. The assessment will take into account:

- the identity or similarity of the signs;
- the identity or similarity of the goods and/or services in question; and
- the distinctiveness of the marks.

Because these factors are interdependent, a low degree of similarity between the goods and/or services may be offset by a high degree of similarity between the signs or vice versa.

In case of trademark infringement, German law provides rights holders with a number of effective enforcement tools.

Claims

If a trademark is infringed, the rights holder can assert several claims against the

infringer and certain third parties. The rights holder can ask the court to issue a cease and desist order (Sections 14(5) and 15(4) of the Trademark Act) and can also claim compensation for damages, as well as information necessary to calculate damages – provided that the infringer has caused the infringement wilfully or negligently (Sections 14(6) and 15(5) of the Trademark Act and Section 242 of the Civil Code). Additionally, Section 18 of the Trademark Act grants the mark owner the right to claim for the destruction of infringing products and/or their packaging. Further, pursuant to Section 19 of the Trademark Act, the rights holder can request information about the origin and distribution channels of the infringing goods and/or services, as well as the profits made.

The implementation of the Unfair Competition Practices and IP Rights Enforcement Directives extended these claims by introducing the amendments detailed below.

One of the most important changes is the new right to recall and remove infringing goods from channels of commerce, pursuant to Section 18(2) of the Trademark Act. This provision also puts an obligation on the infringer to request (commercial) customers to comply with the recall and removal order. The infringer bears all costs associated with the recall/removal. The court must decide whether these remedies are:

- in due proportion to the severity of the infringement; and
- in the interests of the parties.

The Trademark Act already provided a right of information in Section 19. This right has been extended so that trademark owners are now entitled to request information from third parties on the origin, distribution channels, and quantity and cost of the infringing goods or services. This request may be made to third parties involved on a commercial scale only. The request must be proportionate to the alleged infringement.

A new development is the right to disclosure of and access to documents (Sections 19a and 19b of the Trademark Act),

as long as this is not disproportionate. However, German law still provides sufficient opportunities for the infringer to hold back confidential documents.

A further amendment is the right to publish judicial decisions (Section 19c of the Trademark Act). At the rights holder's request, the court may now order the publication of a judicial decision, as long as the rights holder has a legitimate interest in the publication. In which cases judges will approve such requirement remains to be determined.

Procedures

German law provides not only for appropriate remedies in case of trademark infringement, but also for effective means to enforce these remedies quickly and cost-effectively.

There exist different legal means for rights holders to enforce the above-mentioned claims, of which cease and desist letters, preliminary injunction proceedings and main court proceedings are the most important. All claims can be asserted by virtue of a cease and desist letter or full court proceedings. Preliminary injunction proceedings are, in general, restricted to orders of forbearance, seizure and reimbursement of costs.

It is common for rights holders to assert their rights by sending cease and desist letters to infringers. Usually, infringers will be requested to provide a declaration of forbearance and an undertaking backed up by contractual penalties.

It is not necessary to send a cease and desist letter before taking legal action. However, in most cases it is advisable to send one before filing either a lawsuit or a request for preliminary injunction. This is because the rights holder will bear the legal costs if the infringer immediately acknowledges the rights holder's claims before the court and no cease and desist letter was sent.

If the infringer continues to infringe the trademark or does not provide the relevant declaration of forbearance and undertaking, the rights holder can then seek an injunction for preliminary relief with the competent court. A preliminary injunction

order can be granted in a few days or even on the day of application. Such an injunction, once served on the infringer, immediately restrains the latter from continuing with the infringement. During a summary proceeding, in which the formal adducing of evidence is not required, the court can issue – without having an oral hearing or even informing the infringer – an *ex parte* injunction.

To obtain such a preliminary injunction, the applicant must fulfil three requirements. It must be:

- entitled to the claimed right;
- able to show the injunction claim (*Verfügungsanspruch*) – that is, the urgency of the matter; and
- able to show the reason for the injunction (*Verfügungsgrund*).

Preliminary injunctions are usually granted if the infringed party files a request for an injunction within four weeks of obtaining first knowledge of the infringement and infringer.

If the court grants a preliminary injunction, the applicant has to serve it on the opposing party within one month, otherwise it becomes invalid. Following service of the injunction on the defendant, the injunction is legally in force and has to be observed by the defendant.

To finalize the case, the rights holder will usually send a letter to the infringer requesting that the infringer:

- acknowledge the preliminary injunction court order as final and binding; and
- renounce legal remedies (*Abschlusschreiben*).

If the infringer does not meet this demand, it is necessary – due to the preliminary character of the injunction – to initiate main court proceedings to reach a final decision. Also, the infringer may request the rights holder to initiate main court proceedings. The infringer is entitled to seek the revocation of an *ex parte* preliminary injunction during an oral hearing. If an alleged infringer anticipates the filing of an application for a preliminary injunction, it can apply in advance for a so called ‘writ of protection’ (*Schutzschrift*) with any court where it expects the rights holder to apply for such injunction. This ensures that its defence arguments are heard and the relevant court schedules an oral hearing.

Border measures

Border measures, according to Section 146 of the Trademark Act and the relevant



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provisions of the EU Customs Regulation (1383/03), allow rights holders to detect certain types of trademark infringement and have unauthorized parallel imports or counterfeits destroyed. Since September 1 2008, German law has provided for a simplified destruction procedure which facilitates the enforcement of trademarks. Pirated and counterfeit goods which have been detained by Customs when imported into the European Union will be destroyed within 10 working days of receipt of the notification from the relevant customs office, if the rights holder provides written consent to surrender the goods for destruction from the declarant, the holder or the owner of the goods. Once the declarant, the holder or the owner of the goods has been informed in writing of the infringement and has not explicitly objected to destruction within the given 10 working days, consent is deemed to have been provided.

Conclusion

Overall, German law provides effective measures to enforce trademark holders' rights. In particular, the preliminary injunction, which can be granted within a few days, offers a quick and cost-effective opportunity for brand owners to enforce their rights. [WTR](#)