Jonas Rechtsanwaltsgesellschaft mbH

Design and trade dress in Germany

As in most jurisdictions, the appearance of a product may be protected in Germany under various IP laws and unfair competition law. The courts, in particular the Supreme Court, have developed extensive case law in relation to trade dress protection

The protection of the design, overall appearance, get-up or trade dress of a product is multi-faceted and spans various fields of IP law. Whereas the protection of the shape or other visible features of a product may at first glance be covered by design law, this could also be achieved by copyright law, trademark law or unfair competition law.

As in other jurisdictions of the European Union, in Germany the overall appearance of a product can be protected by a national design registration, a Community design registration or a non-registered Community design. However, court practice shows that aside from design rights, German law provides further means to defend against imitations and counterfeit goods successfully and efficiently. For example, in 2005 the German Federal Supreme Court held in two decisions that the shapes of the Porsche Boxster and Porsche 911 were protected as trademarks under the German Trademark Act (Case I ZB 33/04 – "*Porsche 911*" and Case I ZB 34/04 – "*Porsche Boxster*", December 15 2005). The Regional Court of Hamburg held in a decision of 2002 that the baby highchair Trip-Trap was protected under German copyright law (Case 5 O 217/01 – "*Kinderhochstuhl*", August 21 2002), while the Supreme Court granted protection to fancy jeans on the basis of Section 4(9) of the German Act against Unfair Competition (Case I ZR 151/02 – "*Jeans*", September 15 2005). Consequently, a rights holder faced with a product imitation should decide on a case-by-case basis which is the most efficient legal remedy to enforce its rights successfully; however, in a court proceeding, a rights holder would be well advised to make claims under as many different laws as possible.

Unfair competition law

Where a product is not protected by an IP right – be it a registered or unregistered design, a trademark or copyright – German unfair competition law provides claims for forbearance, compensation, information and reimbursement of costs against an imitation of the overall appearance, trade dress, get-up or other visible features of a product.

Generally speaking, unfair competition law is not applicable in cases where the product or a feature thereof is protected by an IP right (eg, a patent, an industrial design, a trademark or copyright). German court practice is not consistent, however. Whereas German courts tend to deny claims under unfair competition law in cases of technical protection of a product by a patent, the practice is rather relaxed regarding the overlap with industrial design registrations. In addition, claims on the basis of unfair competition law are always applicable if, beyond the scope of protection of the IP right, certain attendant conditions of the particular case constitute an act of unfair competition.

To make a claim against counterfeiters and imitators under the Act against Unfair Competition, the claimant must show that:

- the shape or overall appearance of the genuine product is characteristic (this is called 'competitive distinctiveness');
- the genuine product is distributed in Germany and enjoys a good reputation; and
- the counterfeit goods either create avoidable confusion in consumers' minds as to the product's origin, or exploit or damage the reputation of the genuine products.

Competitive distinctiveness

According to the jurisdiction of the Supreme Court, a product enjoys the necessary competitive distinctiveness where the overall appearance or certain distinctive elements of the product may serve as an indication of origin to the relevant purchasing circles. The level of the required competitive distinctiveness is related to the type of specific imitation. For example, in case of a slavish imitation where every single feature of a product was copied, the level of the competitive distinctiveness may be lower than in other cases where the original product was merely used as a role model, and vice versa.

Thus, the Regional Court of Cologne has held in preliminary injunctions that the famous Tupperware Wonderbowl is protected under the Act against Unfair Competition due to:

- its individual shape;
- the combination of the colours used; and
- the high reputation it enjoys on the German market.

Unlike in industrial design matters, novelty is usually not an issue under unfair competition law. Whereas a single prior art design in any foreign country may lead to the invalidity of design registrations, the competitive environment is limited to Germany when assessing a claim on the basis of the Act against Unfair Competition. Furthermore, products of third parties are only relevant if distribution is reasonably widespread.

Besides competitive distinctiveness, a claim under the Act against Unfair Competition requires that the plaintiff prove that the third party's goods either:

- create avoidable confusion in consumers' minds as to the product's origin; or
- exploit or damage the reputation of the genuine product.

Avoidable likelihood of confusion

A likelihood of confusion exists where the relevant part of the public may get the impression that the junior product derives from the producer of the original product or

from an affiliated undertaking. It depends on the particular product whether the relevant public has to be considered as being an end user or a professional.

Section 4(9)(a) of the Act against Unfair Competition protects not only the interests of the producer of the genuine product, but also intends to defend the end user against any misrepresentation. Thus, the provision has to be interpreted in the light of the EU Unfair Commercial Practices Directive (2005/29/EC).

According to court practice, the time period leading to the purchasing decision is decisive when assessing the likelihood of confusion (German Federal Supreme Court, Case I ZR 270/03 – "*Stufenleitern*", September 21 2006). Consequently, a claim under the Act against Unfair Competition is not granted if there is no likelihood of confusion on the part of the consumers when buying the product, but there is a likelihood of confusion at a later date (ie, post-sale confusion).

In 2004 the Supreme Court ruled in a case regarding an imitation of the famous Lego brick. The court held that an indication on the packaging of the construction toy may exclude any likelihood of confusion on the consumer's part at the time of purchase; consequently, the court reasoned, this also excluded granting a claim on the basis of Section 4(9)(a) of the Act against Unfair Competition – even though there might be post-sale confusion on the part of other consumers who see the product without its packaging (Case I ZR 30/02 – "*Klemmbausteine III*", December 2 2004).

Taking unfair advantage

The court confirmed the principle of the *Klemmbausteine III* decision (no post-sale confusion) in a later decision involving manufacturer of luxury leather bags Hermès Sellier (Case I ZR 198/04 – "*Handtaschen*", January 11 2007). Hermès sued an imitator of its famous Kelly bags (named after Grace Kelly who used the bag in the 1950s). The court held that there was no likelihood of confusion on the part of the relevant public due to:

- the low price and quality of the imitation product;
- the absence of the HERMÈS trademark; and
- the knowledge that original Kelly bags are distributed only via special Hermès shops and concessions.

Irrespective of the missing likelihood of confusion, a claim on the basis of unfair competition law may still be granted if the imitation product exploits or damages the reputation of the genuine product according to Section 4(9)(b) of the Act against Unfair Competition. For example, in case of the distribution of a cheap imitation of a Rolex watch, German courts ruled that there is no confusion on the part of the purchaser, but the distribution exploits the reputation of the original Rolex watch since it will be bought only in order to give the impression that it is a luxury watch (Case I ZR 128/82 – "*Tchibo/Rolex*", November 8 1984). However, the Supreme Court ruled that it is not sufficient for the imitation merely to attract the attention of consumers due to an association with the original product ("*Tchibo/Rolex*").

Kay-Uwe Jonas
Director, Jonas Rechtsanwaltsgesellschaft mbH, Cologne
jonas@jonas-lawyers.com

Kay-Uwe Jonas focuses on IP law, with specific experience and expertise in trademark law (prosecution, litigation, portfolio management) and unfair competition law. He is an active member of various professional organizations, such as MARQUES, for which he acts as an executive and council member.

Hanna Karin Budde
Attorney at law, Jonas Rechtsanwaltsgesellschaft mbH, Cologne
budde@jonas-lawyers.com

Hanna Karin Budde focuses on IP Law, with specific experience and expertise in trademark law, unfair competition law and industrial design law. She advises international and national companies from various industry sectors on prosecution, litigation and contractual matters, including anti-counterfeiting and border seizure proceedings.

Enforcement

On the basis of the Act against Unfair Competition, the producer of a genuine product can make the following claims against imitators and counterfeiters:

- prevention of further distribution of counterfeit goods;
- compensation for damages;
- information about the chain of distribution and extent of infringement; and
- reimbursement of legal costs.

Unfair competition law does not provide for a claim for destruction of the infringing goods. According to the jurisdiction of German courts, it is not the production *per se*, but only the distribution of counterfeit goods that constitutes an act of unfair competition.

The claim for forbearance and, in specific cases, also the claim for information can be enforced through a preliminary injunction. Whereas owners of registered IP rights or copyright owners may also apply for a border seizure proceeding with German Customs, this option is not available for claims based on the Act against Unfair Competition.

Conclusion

In addition to claims based on registered or unregistered design rights, copyright or trademark rights, the Act against Unfair Competition provides a very effective instrument in order to proceed against counterfeiting and product imitations. However, in view of possible border seizure proceedings and claims for destruction of the goods which are not applicable under unfair competition law, it is advisable for product owners to protect the overall appearance or trade dress of a product by a national industrial design or a Community design registration. WTR