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# Protection of unregistered trademarks and other commercial signs in Germany

Unregistered trademarks are protectable in Germany as long as they function as trademarks and have acquired a reputation through use. Other commercial signs may also be protected, with the distinctiveness requirements varying depending on the type of right sought

Whereas the law on registered trademarks in Germany is regulated and harmonized by EU law, the protection of unregistered trademarks and other commercial signs is left to the national legislature.

The German Trademark Act has provided for the protection of unregistered trademarks and other commercial signs since its enactment in 1996. For example, unregistered signs can be protected as:

- signs used in the course of trade, if the sign has acquired prominence as a trademark among the trade circles concerned;
- trademarks acquired by notoriety; or
- trade designations in the form of company names and titles of works, including domain names.

## Trademark protection acquired by use

Trademark protection can be acquired by extensive use according to Section 4(2) of the Trademark Act, provided that the sign is used in the course of trade and has acquired prominence as an indication of origin among the trade circles concerned. As with registered trademarks, to be protectable unregistered trademarks must be capable of functioning as trademarks (Section 3) – that is, they must be capable of distinguishing the goods or services of one undertaking from those of another. Also, there must be no absolute bar to protection (Section 8). A controversial issue, due to be decided by the Federal Supreme Court in *Sekundenkleber* (Case I ZR 196/06), is whether the general requirement that trademarks be capable of being represented graphically is also applicable to unregistered trademarks, which – by their very nature – are never represented graphically on a register.

Absolute bars to protection (ie, a sign's lack of distinctiveness, the need to keep a term freely available for common use and

the fact that the sign at issue is a generic term) can be overcome where a trademark has acquired secondary meaning.

Since German law does not provide for a right of first use, the use of an unregistered trademark is relevant only if the use is so extensive that the trademark has acquired prominence among the trade circles concerned. However, there is no fixed percentage value as to what that prominence should be (Federal Supreme Court, Case I ZR 23/01, September 9 2003 – *Farbmarkenverletzung I*). Elements to consider include the following:

- the market share of the goods and services for which the trademark is used;
- the geographical extension of use;
- the duration of use; and
- the amount of investments made by the owner to promote the unregistered trademark.

For instance, the Federal Supreme Court held in *Sunkist* that an awareness of 20% is sufficient with respect to a sign with average distinctiveness (Case Ib ZR 119/61, May 5 1963). By contrast, the court refused protection in another case where a degree of brand awareness of 61% was proven for the word 'Quattro' used for cars because of the need to keep the word 'Quattro' free for competing undertakers (Case I ZR 263/89, November 21 1991). In a 2003 decision the court held that a higher degree of trademark awareness is required where a colour trademark is concerned, bearing in mind the common interest to keep colours freely available for common use. A brand awareness of 58% of the colour "magenta" for telecommunication services was, however, considered to be sufficient (Case I ZR 23/01, September 9 2003 – *Farbmarkenverletzung I*). The degree of brand awareness can be proven by a market survey, which usually costs between €10,000

and €50,000 (a sum payable by the losing party in court proceedings).

## Regional protection

Unregistered trademarks can be protected regionally when a reputation is acquired within local borders only. In a 2001 decision the Regional Court of Dresden held that the sign *Halberstädter Würstchen* used for precooked sausages was protected as an unregistered trademark in the territory of the former German Democratic Republic (Case 14 U 3542/97, March 27 2001 – *Halberstädter Würstchen*). However, the court ruled that the product must be offered exclusively to the trade circles of the specified region as otherwise the trade circles of the entire country would be relevant when assessing the acquired prominence.

## Trademark acquired by notoriety

Section 4(3) of the Trademark Act protects trademarks that are well known within the meaning of Article 6bis of the Paris Convention. Even if the actual use of the sign by its owner in Germany is not necessary, a brand awareness of over 50% is required among public circles in Germany, caused by extensive use outside of Germany (Federal Supreme Court, I ZR 47/67, April 2 1969 – *Recrin*). However, it is questionable why a higher degree of awareness is required for protection under Article 6bis than for national unregistered trademarks.

## Trade designations

In addition to unregistered trademarks, the Trademark Act protects trade designations as company names, domain names and titles of works, among other things (Section 5). Whereas unregistered trademarks are enforceable only if they have acquired prominence through use, in general protection for trade designations arises through mere use.

### Company names and domain names

Section 5(2) of the Trademark Act explicitly protects distinctive signs used in the course of trade as a name, company name or special designation of a business establishment or undertaking. Besides the names of person, pseudonyms and names of associations are also protected. Special designations of undertakings may also be denominations of establishments such as restaurants, hotels (Federal Supreme Court, Case I ZR 60/93, March 30 1995 – “City-Hotel”) or theatres (Regional Court of Munich, Case 1 HKO 12216/97, September 17 1997 – “Deutsches Theater”). Protection can further arise from use of a domain name in the course of trade if the trade circles concerned consider the domain not just an address but an indication of origin (Federal Supreme Court, Case I ZR 135/01, July 22 2004 – “soco.de”). In other words, the mere registration of a domain name does not give a right to use it. The trade designation need not be particularly inventive. It is sufficient that the is capable of appearing as a name or other indication of origin among the trade circles concerned. A merely descriptive term such as ‘Telekom’ used as part of a company name for telecommunications services is, however, not protectable (Federal Supreme Court, Case I ZR 79/01, November 27 2003 – “Telekom”), unless it has acquired a secondary meaning among the trade circles concerned (Federal Supreme Court, Case I ZR 69/02, December 16 2004 – “Literaturhaus”).

### Titles of works

Titles of works are the names or special designations of printed publications, cinematographic works, acoustical works, plays or other comparable works. In contrast to unregistered trademarks and company names, the protection of titles of works does not depend on their function as indications of origin. Rather, they serve to distinguish one intellectual work from another. Protection begins generally from the start of the use of the title in the course of trade (ie, the date of publication). However, according to the established practice of the German courts, authors may file a so-called ‘title protection announcement’ in which the intention to use a specific title for a specific type of work is announced. Under the condition that the work is published later, the author may claim the priority date of the day of the title announcement (Federal Supreme Court, Case I ZGR 39/87, June 22 1989 – *Titelschutzanzeige*). As for company names and business designations, the requirements for the distinctiveness of titles



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are relatively low. The Federal Supreme Court held, for example, that *Auto Magazin* is capable of distinguishing a car magazine (Federal Supreme Court, Case I ZR 27/99, June 21 2001 – “Auto Magazin”) because the relevant trade circles are accustomed to descriptive titles.

### Claims and enforcement

Owners of unregistered trademarks, company names or title rights can make the same claims against the use of identical or confusingly similar signs as owners of registered trademarks. Thus, they may claim forbearance, compensation for damages, information and destruction. The claim for forbearance and, in specific cases, the claim to information can be enforced through a preliminary injunction. An opposition with the German Patent and Trademark Office may be based on an unregistered trademark acquired by notoriety (Article 6bis of the Paris Convention), but unlike in opposition proceedings before the Office for Harmonization in the Internal Market, not on a simple unregistered trademark, a company name or a title right (Section 4(2)). Instead, proprietors of unregistered trademarks, business designations or title rights need to initiate court proceedings against conflicting trademarks.

### Conclusion

Rights can derive from a sign used in the course of trade, even in the absence of registration, if the sign falls under the protection criteria for an unregistered trademark, a business designation or a title. Since the required level of awareness among the trade circles concerned and the priority date may be difficult to prove in a possible court proceeding (which would also be time and cost intensive), it is recommended to file a trademark application to protect sufficiently the name of the products or company at issue. [WTR](#)