

Germany

Contributing firm
BEST Rechtsanwälte



Authors

Michael Best and **Christiane Schenk**

light of EU legislation and the jurisprudence of the European Court of Justice (ECJ).

1. Legal framework

National and EU law

The following national and EU legislation governs trademarks in Germany:

- the Trademark Act, which implements the First Trademark Directive (89/104/EEC);
- the Trademark Regulation, which contains provisions regarding administrative proceedings;
- the EU Community Trademark Regulation (207/2009); and
- the EU Community Trademark Implementing Regulation (2868/95).

EU law and national provisions that implement EU law must be interpreted in the

International treaties

Germany has signed the following international treaties relating to trademarks:

- the Paris Convention for the Protection of Industrial Property;
- the Madrid Agreement Concerning the International Registration of Marks;
- the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks;
- the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks;
- the Trademark Law Treaty; and
- the Agreement on Trade-Related Aspects of Intellectual Property Rights.

2. Unregistered marks

Protection for unregistered marks is granted for marks that have acquired public recognition as a trademark within the relevant trade circles – that is, a certain part of the relevant consumers must perceive the mark as an indication of the origin of the goods or services for which it is used. The threshold is assessed on a case-by-case basis, but essentially depends on the trademark's degree of inherent distinctiveness. If the mark lacks inherent registrability (due to its descriptive character or its lack of inherent distinctiveness), the threshold will be at least 50% or more. However, if the mark is inherently distinctive and not descriptive, a degree of 20% to 25% may suffice.

If the mark has not been used in Germany, protection is possible only if the mark is well known under Article 6*bis* of the Paris Convention, which generally requires a notoriety level of 60% to 70%.

3. Registered marks

Ownership requirements

Natural and legal persons can own trademark applications and registrations. Persons that neither reside nor have a seat or an establishment in Germany must appoint a representative (an attorney at law or a patent attorney) admitted to practise in Germany.

In general, the German Patent and Trademark Office (GPTO) does not require attorneys at law or patent attorneys to submit a power of attorney. However, a power of attorney may be submitted together with the trademark application or after its filing. Neither notarisation nor legalisation of the document is required.

Requirements for protection

A trademark must be capable of both distinguishing the goods or services of a particular undertaking from those of other undertakings and graphical representation.

In particular, the following types of mark can be registered:

- word marks (consisting of words, letters, numerals or other characters that can be typed in standard font);

- two-dimensional figurative marks (consisting of pictures or graphical elements) and marks composed of word elements and figurative components (including words depicted in a graphical style);
- three-dimensional marks (including the shape of goods or their packaging);
- sound marks (jingles, melodies or other sounds);
- tracer marks (consisting of coloured stripes or threads fastened to certain products); and
- colour marks.

A graphical representation will not be registered as a trademark if it exclusively consists of a shape that:

- results from the nature of the item itself;
- is necessary to obtain a technical result; or
- gives substantial value to the item.

The registration of a trademark will in particular be refused on absolute grounds if:

- it lacks distinctiveness;
- it consists exclusively of signs or indications which may serve to designate the nature, quality, quantity, intended purpose, value, geographical origin or time of production of the goods or rendering of the services, or to designate other characteristics of the goods or services;
- it consists exclusively of signs or indications which have become customary in the current usage of language or in established trade practices;
- it is of a nature to mislead the public, in particular with regard to the nature, quality or geographical origin of the goods or services;
- it is contrary to public policy or to accepted principles of morality;
- it contains certain state emblems, emblems of international intergovernmental organisations or protected official seals; or
- it was applied for in bad faith.

The first three grounds for refusal can be overcome if the applicant succeeds in establishing that the mark has acquired distinctiveness through use (a level of recognition of at least 50% is usually required).

4. Procedures

Examination procedure

If the GPTO raises no objections, the application usually proceeds to registration within six to 12 months of the filing date. Requesting an accelerated examination means that registration can usually be achieved within two to six months.

If the formal application requirements are met, the GPTO examines the trademark application for absolute grounds for refusal. It does not check whether the trademark infringes earlier third-party rights.

If the GPTO holds that a mark is ineligible for registration, it will inform the applicant of its intent to reject the application and invite it to file counterarguments before the decision is taken. Should the application still be rejected, the decision may be appealed within one month before the Federal Patent Court or, depending on the position of the examiner who issued the decision, before the GPTO. If the examiner's decision is maintained by a senior GPTO officer, this decision can subsequently be appealed before the Federal Patent Court whose decisions can, under certain (rare) circumstances, be contested before the Federal Court of Justice.

Opposition

Oppositions can be filed within three months (non-extendible) of publication of registration of the mark.

Oppositions can be based on the following earlier rights:

- trademark applications or registrations (including Community trademarks and international registrations designating Germany or the European Union);
- notorious trademarks (pursuant to Article 6*bis* of the Paris Convention);
- unregistered marks protected due to their reputation; and
- commercial designations (including company names and titles).

In addition, the rightful trademark owner can file an opposition if the mark was registered without its consent in the name of one of its agents or representatives.

A separate opposition must be filed for each earlier right used in the opposition. However,

further proceedings are often combined and a joint opposition decision is taken.

It is advisable, but not compulsory, for the opponent to submit opposition grounds in the course of proceedings. To defend a contested registration, the owner may file arguments and request evidence of use of the earlier mark if the opposition is based on a mark that has become, or during the proceedings becomes, vulnerable to cancellation for non-use (ie, after the five-year grace period).

Once both parties have had the opportunity to file arguments and evidence in support of their positions, the GPTO will take a decision on the merits of the case. If the opposition is (partially) successful, the contested mark is (partially) cancelled. The decision can be appealed to the GPTO or the Federal Patent Court.

Registration

Once the trademark has been recorded in the register, a registration certificate is issued and the mark is protected for 10 years from the filing date, unless it is cancelled on the basis of a successful opposition or for other reasons. The term of protection can be renewed for further 10-year periods.

The trademark becomes subject to the use requirement five years after registration or five years after the termination of opposition proceedings. No declaration or proof of use need be filed, unless the registration is challenged by a third party.

Removal from register

The owner may (partially) surrender a registered mark at any time. Removal from the register is possible on application by a third party in the following cases.

Revocation due to non-use: The registration is revoked if the mark has not been genuinely used by its owner or with the owner's consent (eg, by a licensee) for a continuous period of five years since the mark became subject to the use requirement.

Cancellation due to absolute grounds: A trademark can be cancelled if:

- the applicant was not capable of being the owner of a trademark;

- the mark was not eligible for trademark protection;
- there were absolute grounds for refusal at the time the mark was registered; or
- depending on the claimed ground of refusal additional requirements might apply.

Cancellation due to relative grounds: Owners of earlier rights can request the cancellation of a trademark that infringes their prior right. This option is precluded in case of acquiescence (ie, if the owner of the earlier right has tolerated use of the contested mark for a continuous period of five years, unless the mark was registered in bad faith). The cancellation action can be based on the same rights that constitute grounds for opposition or on another IP right (eg, a name right, copyright or geographical indication).

5. Enforcement

Civil courts

Any claims based on IP rights governed by the Trademark Act (including actions based on the infringement of registered and unregistered trademarks, geographical indications, company names and other commercial designations), as well as infringement actions based on copyrights and designs, must be brought before the civil courts.

Specific regional courts have jurisdiction in these matters, and their decisions are subject to appeal before the higher regional courts. Under certain conditions, an appeal can be filed with the Federal Court of Justice.

The rules of procedure stipulate that the defeated party must bear all costs (including the court fees and appropriate attorney's fees of the other party), and that the fees are to be proportionally divided in case of a partial success/defeat.

Cease and desist actions

Trademark owners or owners of commercial designations may obtain a cease and desist order either if their rights have already been infringed and further infringements cannot be excluded or if there are objective circumstances indicating that there is a risk that infringement will take place.

The risk of repeated infringements can be removed if the infringer provides a legally binding undertaking to cease and desist from the infringing behaviour and to pay a contractual penalty in case of non-compliance.

Damages and other relief

If a trademark or commercial designation has been infringed intentionally or negligently – which is regularly the case – its owner may claim damages.

The rights holder is also entitled to demand that infringing goods already supplied to customers be recalled and destroyed, unless inappropriate.

It may also request information regarding the origin of the infringing goods or services, distribution channels, the identity of any third parties involved in the infringement, the quantities produced, delivered, received or ordered, as well as the price obtained for the goods or services in question.

Although the rights holder is entitled to request compensation on the basis of the calculation of actual losses suffered or the profits gained by the infringer, it is often difficult to calculate the actual profit or damages resulting from the infringement. Therefore, rights holders often opt for the calculation of damages based on the licence analogy method and demand payment of an adequate licence fee. In Germany, punitive damages cannot be claimed.

Injunctive relief

In an interlocutory injunction the court may issue a cease and desist order, order the seizure and sequestration of the infringing goods and their recall from customers, and order the defendant to provide information on the origin and distribution channels of the infringing goods.

The courts will provide injunctive relief if the rights holder credibly demonstrates that its request is well founded and the matter is urgent. Most German courts ask that a rights holder file the application for an interim injunction within one month of learning of the infringement and the infringer's identity.

If subsequent proceedings reveal that the right holder's request was unfounded, the alleged infringer may request compensation

for the damages suffered as a result of the interlocutory injunction.

Proceedings and timeframes

If the matter is urgent, the competent court will usually issue the interlocutory injunction very quickly (even within hours or in most cases within a few days), without hearing the defendant. If the defendant objects to the injunction after it has been served and requests an oral hearing, the court will schedule a hearing within a few days or weeks and will then either uphold or set aside the preliminary injunction. An appeal is available if the preliminary injunction was issued or upheld after a hearing.

The defendant may also ask the applicant to initiate regular civil proceedings. In these proceedings the plaintiff must provide more detailed evidence for its claims, but may also include additional claims (eg, for destruction of the infringing goods and payment of compensation). The main proceedings at first instance are usually concluded within six months or more, whereas appeal proceedings before the higher regional courts may take six to 12 months or more. In certain circumstances, a further appeal can be brought before the Federal Court of Justice.

Formal warning

If a legal action is brought before a civil court without informing the defendant and the defendant acknowledges immediately that the filed claim is valid, the plaintiff must usually bear the procedural costs even though its claims will be granted. Therefore, trademark owners often approach infringers before filing infringement claims or motions for preliminary injunction.

If the infringer does not take the appropriate steps after receiving a warning or cease and desist letter, and later acknowledges the claim before the court, it must bear the costs of the proceedings.

Nevertheless, the trademark owner may prefer to risk bearing the procedural costs in order to avoid either forewarning the infringer or the risk of being held liable for damages suffered by the alleged infringer as a result of a cease and desist request that is subsequently held to be unfounded.

Border seizure

Customs measures are available pursuant to the EU Customs Regulation (1383/2003), which covers the import of counterfeits into the European Union, and the Trademark Act, which is subsidiary and applies in case of intra-Community trade, unregistered trademarks, commercial designations and (according to the practice of German Customs) parallel/grey imports.

Once an application for customs measures has been recorded with Customs, it will seize potentially infringing goods and notify the applicant and trademark owner of the seizure. If the seizure turns out not to be justified, the other party may request compensation.

Criminal law penalties

The Trademark Act stipulates that the unlawful use of a sign in the course of trade that infringes the prior rights of a third party can be punished by imprisonment for up to three years (five for repeated infringement on a commercial basis) or the imposition of a fine. Similar penalties are available in case of infringement of a Community trademark. Infringing goods can be confiscated and destroyed.

6. Ownership changes and rights transfers

Assignment

There are no formal requirements for the (partial) assignment of a trademark, but it is advisable to document the assignment in writing.

The recordal of the assignment in the Trademark Register is not obligatory, but is advisable since the Trademark Act stipulates that the registered owner is deemed to be the rightful owner (this is a rebuttable presumption).

In order to record an assignment with the GPTO, it usually suffices for both parties (or their representatives) to confirm that the mark has been assigned and that the change of ownership should be recorded in the register, or for the assignee to provide a declaration signed by the assignor. It is also possible to submit the deed of assignment if its content is sufficiently precise. Notarisation or legalisation of these documents is not required.

Licence

A trademark owner can grant exclusive or non-exclusive licences for all or only part of the goods or services covered by the mark. There are no formal requirements for the licensing of trademarks, but it is advisable to conclude a written licence agreement, including the relevant terms, and to ensure that the actual use of the mark by the licensee meets the expectations and specifications of the licensor. Licences are not registered or recorded in the Trademark Register.

7. Related rights

Unfair competition

In addition to the protection provided by the Trademark Act, there is supplementary protection of IP rights under unfair competition law pursuant to the Act against Unfair Competition. The use of a trademark, commercial name or other protected designation, or even the registration of a trademark or domain name, may constitute an unfair commercial practice. However, unfair competition law is generally subsidiary to the relevant IP laws (eg, the Trademark Act) and applicable only in specific cases.

Design rights and copyright

Trademarks that contain figurative elements may also be protected as copyrights and designs. The copyright emanates from the mere creation of the work and need not be registered. A design can enjoy protection either as a registered or an unregistered Community design, or as a registered German design. The threshold for protection by copyright law is comparatively high, as a relatively high level of creativity is required. For protection as a design, a lesser degree of originality is required, but a design must also be novel in order to enjoy protection.

8. Online issues

Domain names

All domains under the country-code top-level domain (ccTLD) '.de' are registered with the central registry DENIC on a first come, first served basis.

In principle, use of a domain name in the course of trade may constitute use as a trademark or a commercial sign; in some cases this use may even lead to the protection of the domain name as a commercial designation or unregistered trademark. On the other hand, the registration and use of a domain name may also infringe trademarks, commercial designations or names of third parties or constitute an act of unfair competition. However, many questions regarding the exact categorisation of domain names as IP rights are still open and must be assessed on a case-by-case basis.

There is no non-judicial resolution proceeding for disputes related to '.de' domain names. Claims must be filed with the civil courts. The owner of a trademark, commercial designation or name that claims its earlier right is infringed by the registration respectively use of a domain name under the ccTLD '.de' may file for the recordal of a dispute entry with DENIC. This ensures that the domain name registration cannot be transferred to a third party.

Metatags

Use of a trademark as a metatag by a third party is considered to constitute use of the trademark in the course of trade, according to the Federal Court of Justice, and may therefore infringe the rights of the trademark owner. This particularly applies if the identical or similar sign that is used as a metatag (either in html code or in 'white-on-white-script') is intended to manipulate the result of the conducted online search and to divert the user to the website of the metatag user.

AdWords

In principle, the use of a trademark as an AdWord might constitute trademark infringement, unless the rights are exhausted or the use is merely descriptive.

The ECJ has held that use of a trademark as a Google AdWord for identical goods or services can be prohibited only if the "advertisement does not enable an average internet user, or enables that user only with difficulty, to ascertain whether the goods or services referred to therein originate from the proprietor of the trademark or an undertaking

economically connected to it or, on the contrary, originate from a third party". While referring to this ruling, the Federal Court of Justice implied that where it is obvious to online consumers that the AdWord advertisement is not part of the regular search results but rather a commercial advertisement, there is no trademark use or infringement, provided that no reference to the trademark, the trademark owner or its products is contained in the textual elements of the specific advertisement or in the domain name contained therein – in particular, if the domain name indicates that the provided goods or services have a different commercial origin. According to these findings of the Federal Court of Justice, in most cases the requirements for trademark infringement would therefore not be fulfilled. However, this position is not undisputed.

Examination/registration		
Representative requires a power of attorney when filing? Legalised/notarised?	Examination for relative grounds for refusal based on earlier rights?	Non-traditional marks registrable?
Only when exceptionally requested by the GPTO		3-D, shapes, colours, sounds, olfactory
Unregistered rights		Opposition
Protection for unregistered rights?	Specific/increased protection for well-known marks?	Opposition procedure available? Term from publication?
		3 months after publication of registration
Removal from register		
Can a registration be removed for non-use? Term and start date?	Are proceedings available to remove a mark that has become generic?	Are proceedings available to remove a mark that was incorrectly registered?
Term: continuous non-use for 5 years; Start date: 5 years after registration or after termination of opposition proceedings		
Enforcement		
Specialist IP/trademark court?	Punitive damages available?	Interim injunctions available? Time limit?
		1 month after becoming aware of infringement and infringer according to prevailing court practice
Ownership changes	Online issues	
Mandatory registration for assignment/licensing documents?	National anti-cybersquatting provisions?	National alternative dispute resolution policy for local ccTLD available?
	But provisions of other laws may serve as basis for judicial claims before civil courts	

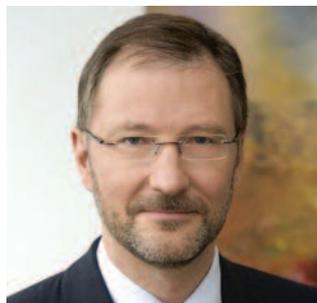
BEST Rechtsanwälte

Industriepark Höchst/ E 416
65926 Frankfurt am Main, Germany

Tel +49 69 305 6057

Fax +49 69 305 16415

Web www.best-ip.eu



Michael Best

Founding partner

michael.best@best-ip.eu

Michael Best studied law in Mainz, Germany and Dijon, France. He first became involved in intellectual property as a scientific assistant at the University of Mainz in 1987. He then worked at a large German auditing firm for two years before becoming in-house counsel in the trademark department of the chemical and pharmaceutical company Hoechst AG in 1992. Dr Best is a founding partner of BEST Rechtsanwälte (1998) and has worked as counsel to clients worldwide on all aspects of trademark, unfair competition, copyright and domain matters for more than 20 years. He is a member of the International Trademark Association and its design rights subcommittee, the European Communities Trademark Association, the Pharmaceutical Trade Marks Group, GRUR (the German IP association) and other IP and legal associations.



Christiane Schenk

IP attorney

christiane.schenk@best-ip.eu

Christiane Schenk studied law in Trier, Germany, and Nancy, France, and gained initial experience in trademark law at university and through internships. Before joining BEST Rechtsanwälte in 2009 she completed the specialist training for attorneys focusing on IP law and was a member of the IP group in the Frankfurt office of a US law firm for three years. Ms Schenk specialises in trademark matters, particularly the prosecution of trademark applications and the enforcement of trademark rights including opposition and cancellation proceedings. She also deals with various other issues arising from the management of international trademark portfolios and her experience encompasses design, domain name and copyright matters, advertising clearance and unfair competition, as well as the enforcement of IP rights through border measures and litigation.