

# Germany

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## 1. Legal framework

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### National

The laws and regulations governing trademarks in Germany are as follows:

- the Trademark Act 1995, last amended December 2004;
- the Copyright Act 1965, last amended September 2003;
- the Commercial Code 1897, last amended August 2004;
- the Civil Code 1900, last amended May 2004;
- the Unfair Competition Act 2004; and
- the Registered Design Act 2004.

### International

The following laws and conventions apply:

- the Agreement on Trade-Related Aspects of Intellectual Property Rights (January 1 1995);
- the Paris Union, May 1 1903 (Stockholm, September 19 1970);
- the Trademark Law Treaty;
- the Madrid Agreement (International Registration), December 1 1922 (Stockholm, September 19 1970);
- the Madrid Protocol, March 20 1996;
- the Madrid Agreement (Indications of Source), June 12 1925 (Stockholm, September 19 1970);
- the Nice Agreement, January 29 1962 (Geneva, January 12 1982);
- the Berne Union, December 5 1887 (Paris: Articles 1-21, October 10 1974, Articles 22-38, January 22 1974);
- the Rome Convention, October 21 1966;
- the Phonograms Convention, May 18 1974;
- the Satellites Convention, August 25 1979;
- the Hague Union, June 1 1928 (Stockholm, September 27 1975);
- the Locarno Agreement, October 25 1990;
- the Hague Convention;
- the World Intellectual Property Organization ((WIPO) Copyright Treaty;
- the WIPO Performances and Phonograms Treaty; and

- Bilateral Agreements with Switzerland, April 13 1892, as amended on May 26 1902.

Germany is a member of the European Union and the European Patent Organization. The First Trademark Directive (89/104/EEC) is applicable and the German Trademark Act is an implementation of this directive. Therefore, the highest source of jurisdiction is the European Court of Justice.

## 2. Unregistered marks

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### Protection

Any trade symbol that has become well known in the trade as a distinctive mark of a particular enterprise enjoys protection equivalent to that conferred by registration. However, for the creation of rights in an unregistered mark, the mark must be used at least to such extent that it has become known in Germany. Marginal use of an unregistered mark is not sufficient to create rights. According to common jurisdiction, an expert opinion is necessary to provide evidence of sufficient use with respect to the target group. A sufficiently used unregistered mark confers on the owner the exclusive right to use the mark and the right to act in case of infringement. The right to file an opposition also exists in the case of an unregistered well-known mark. An unregistered mark may also be subject to protection under both national copyright law (eg, in the case of a unique device) and the Unfair Competition Act. Should the commercial sign used in trade represent a domain or a work title, the Trademark Act and the Civil Code set out relevant provisions for its protection and enforcement.

### Use requirements

For the creation of rights in an unregistered mark, the mark must be used at least to such extent that it has become known in Germany. Marginal use of an unregistered mark is not sufficient to create rights.

However, the precise extent of use and acquired distinctiveness required for a trademark to obtain such protection is decided on a case-by-case basis. Commonly, the degree of awareness of an unregistered mark within the relevant trade circle must be between 20% and 25%, although in some cases this might be as high as over 50%. Generally, an expert opinion is necessary to provide evidence of the extent of use and acquired distinctiveness.

### 3. Registered marks

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#### Ownership

Entitlement to file is very broad. Any natural person, legal entity or partnership can submit a trademark application; commercial activity is not a prerequisite under the new law. Non-residents must appoint a representative (a local attorney at law or patent attorney). The term 'legal entity' has been widened considerably by recent case law, leaving few if any requirements for a legal entity to own a mark. There is no special requirement of intent to use, since this is established by the mere filing of the trademark application.

#### Scope of protection

Under the Trademark Act, and in accordance with EU law, any sign that can distinguish one's goods or services from those of others can be registered as a trademark. However, the following will not be registered:

- signs that are incapable of distinguishing the respective goods or services;
- signs consisting exclusively of indications describing the goods or services;
- signs consisting exclusively of indications as to the type, nature, quantity, purpose, price, value or place of origin of the goods or services, or the time of production of the goods or provision of the services;
- signs that are liable to cause deception;
- signs that are liable to cause offence;

- names, flags and symbols of international organizations;
- state, national and regional flags, symbols and the like;
- signs containing official test and guarantee markings; and
- signs that would otherwise contravene the law.

Conflicts with prior rights may be raised in opposition and/or court proceedings. A mark that is identical or similar to an earlier trademark for identical or similar goods or services may be cancelled. An 'earlier trademark' includes:

- a Community trademark or an international registration covering Germany, with an earlier application date, taking account of any claimed priorities; or
- a well-known mark under Article 6*bis* of the Paris Convention for the Protection of Industrial Property.

### 4. Procedures

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#### Searches

The German Patent and Trademark Office (GPTO) does not conduct any searches in the Trademark Register and one cannot file a request to do so with the GPTO.

However, the GPTO provides two kinds of official online databases: one can be accessed by anyone, the other can be accessed only by any person or body (including foreigners) that has registered to do so and has been provided with a password. The use of both databases is free of charge.

Trademarks are available on the online database approximately three weeks after the application has been filed. The search, per class or all classes, can only be performed for identical marks. Trade names and slogans can only be searched if they have also been applied for or registered as trademarks. Graphic marks can

only be searched by the corresponding Vienna Classification number. The name of the item reproduced is not sufficient.

### Examination

The examination procedure is based on formalities and distinctiveness. Conflicts with prior rights are examined only if a third party files an opposition.

### Opposition

Formal oppositions must be filed with the GPTO. The opponent may file additional grounds or substantiate the opposition at a later stage. The GPTO will give the applicant the opportunity to submit its counter-arguments in support of the application before deciding on the matter. The parties have a right of appeal before the senior examiner of the GPTO, and subsequently before the Federal Patent Court and, ultimately, the Federal Supreme Court on grounds of law.

### Registration

Once the examination procedure has ended, the mark will be registered for a period of 10 years, as from the end of the month in which the application was filed. Protection is effective as from the filing date, provided the mark is duly registered.

### Removal from register

A registered mark may be removed from the register upon request only. A third party may file a request for either cancellation or invalidation with the GPTO.

However, the owner of prior trademark rights is not entitled to enforce those rights against a third party if it has tolerated (ie, had positive knowledge of) a third party's use of the mark for a period of five consecutive years.

**Cancellation:** A mark can be cancelled upon request to the GPTO if it has not been used for a continuous period of five years as from the date

of registration or termination of an opposition proceeding. Use of the mark in a form that is not identical to the form of the mark as registered, but which does not modify the mark's distinctive character, is considered valid.

**Invalidation:** The GPTO can invalidate a mark, if requested to do so, where:

- absolute grounds (in particular lack of distinctiveness and need of availability in the course of trade) or relative grounds for refusal existed at the time of the trademark application (for the latter, invalidation can be requested through an opposition action before the GPTO or a cancellation action before a civil court);
- the application was filed in bad faith;
- the registration is misleading, or the mark has become descriptive or generic;
- the registration is contrary to public order or morality;
- the registered trademark is a national emblem, national coat of arms or national flag; or
- the registered trademark is an official guarantee mark.

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## 5. Enforcement

### Complexity

**Opposition:** Generally, the easiest and cheapest way of enforcing a registered mark is by filing an opposition before the GPTO seeking the cancellation of an earlier registered trademark. Only a trademark application or registration constitutes grounds for an administrative opposition before the GPTO; where the opposition is based on a trademark application, the GPTO will normally stay the opposition proceedings until after registration. Therefore, an administrative opposition may not be based on:

- an earlier company name or domain name;
- trademark rights based solely on use; or

- registered or unregistered designs (in the case of infringing three-dimensional or device marks).

In the opposition proceedings the GPTO will consider the likelihood of confusion between the respective marks, taking into account both the respective signs and the goods or services at issue. If the earlier mark is well known or famous, given its extensive use, the owner may submit information on the duration and scope of use (eg, figures as to turnover and advertising, and surveys). In order to be considered by the GPTO, this information must generally be accompanied by an affidavit. The GPTO will not usually conduct a hearing before making its decision, nor will it usually make a costs order (ie, each party to the opposition must bear its own costs).

The GPTO's decision may be challenged by filing a reminder with the GPTO or an appeal with the Federal Patent Court within one month of the date of receipt. If requested by at least one party to the opposition, the Federal Patent Court will conduct a hearing before making its decision. In general, the whole procedure takes between three and four years, from filing of the opposition to the Federal Patent Court's decision. If the dispute is considered to involve a fundamental legal question, the Federal Patent Court may permit revision of its decision by the Federal Supreme Court.

**Cancellation:** The owner of a registered trademark may also file a cancellation action, by way of an administrative procedure before the GPTO, in cases where a trademark application was filed in bad faith (ie, the applicant knew of the earlier registered mark at the time of filing and intended to block use of that mark by the legitimate owner). In these proceedings a hearing is generally conducted before the decision is issued.

**Civil court action:** A successful opposition will lead only to cancellation of the contested mark.

The GPTO will make no decision hindering actual use of an infringing mark, nor will it decide on compensation for damages or the like.

Further, an administrative opposition procedure is not available to the owners of unregistered rights (with the exception of well-known marks). Therefore, a trademark owner can also file an action – often in parallel to the opposition proceeding – with one of the 21 competent lower civil courts throughout the country, seeking:

- a cease and desist order;
- a finding on compensation for damages (no punitive damages), which are generally calculated on the claimant's own lost profits or the infringer's gained profits, or fictive licence fees;
- information on the scope of use of the infringing mark; and
- destruction of the illegally branded goods or product information, in cases of counterfeiting.

When filing this action, the claimant must pay the court fees in advance; these are calculated on the basis of the 'value in dispute', which is indicated by the claimant at the time of filing the action. The parties may make several submissions in support of their positions; the court will eventually set a date for a hearing, at which both parties will present their arguments. The court will then issue its decision.

A civil court action may be based not only on registered trademarks, but also on:

- earlier company names;
- domain names in actual use;
- the titles of works (eg, printed publications, cinematographic works, musical works, plays);
- registered or unregistered designs; and
- signs used in the course of trade.

Unlike in administrative proceedings, the claimant in a civil court action has several options to support its case – in particular, witnesses and documents without an affidavit.

The lower civil court's decision may be appealed before the upper civil court and, where permitted, may be subject to revision by the Federal Supreme Court.

Again, in contrast to administrative proceedings (except for cancellation due to bad-faith registration), in civil court proceedings the losing party bears both the statutory court fees and attorneys' fees, to be calculated on the basis of the value in dispute.

**Preliminary injunction:** In urgent cases a trademark owner may also file a request for an interlocutory injunction enjoining a third party from using an infringing sign and authorizing the provisional seizure of the offending products. No security need be provided and in most cases there will be no hearing before a decision is issued; in fact, the infringing party will not generally have the chance to defend itself at this stage. Instead, it must file an opposition (*'Widerspruch'*) with the lower civil court, which will schedule a hearing within the next two to four weeks, following which it will decide whether to uphold or overturn its initial decision. The losing party may appeal this decision before the upper civil court, whose decision is final. However, at the defendant's request, the upper civil court will order the claimant to file its main action with the lower civil court within a certain timeframe – normally two to four weeks.

When filing for an interlocutory injunction, the applicant should be aware that the defendant may have a significant damages claim if the injunction is lifted following an opposition. In applying for the injunction, the applicant may also seek a court order compelling the defendant to provide information on the precise scope of use of the infringing mark; this will give the applicant a clear picture of the seriousness of the infringement within a relatively short period of time.

**Criminal proceedings:** Anyone who, in the course of trade, unlawfully uses a sign in contravention of an earlier trademark right may be subject to criminal proceedings and punished by up to three years' imprisonment or a fine. In practice, however, criminal proceedings in conjunction with trademark infringement are rare.

In cross-border cases involving evident trademark infringement, a trademark owner may request Customs to seize the counterfeit goods on the basis of EU Regulation 1383/2003. When making this request – which may be filed online – the applicant must provide:

- financial security;
- documentary evidence of the trademark right; and
- samples of the counterfeit goods, if available.

Customs will disseminate this information to all relevant commercial harbours and airports, and to mobile customs units. If Customs spots the counterfeit goods, it will notify the applicant accordingly, following which the applicant must obtain a preliminary court order justifying their seizure. The parties may then either settle the case amicably or have the case decided through full litigation, during which the counterfeit goods will remain in storage.

### **Timeframe**

In the absence of any official objections, the registration of a trademark may be expected within three to six months from the application date. The same applies to unopposed registrations, as trademarks are registered before their publication (ie, before an opposition may be filed by third parties).

In an opposition or cancellation action before the GPTO, it generally takes between one and two years before a decision is issued. An opposition appeal procedure before the Federal Patent Court generally takes between one and two years (including a hearing).

The official confirmation as to the renewal of a registration will usually be issued within two to three months from the application date.

Official notifications of the recordal of a merger or a change of name may be issued within two to four months from submitting a corresponding request.

An interlocutory injunction procedure, based on registered or unregistered trademark rights, takes just one to two days; once the court has issued the injunction, it is up to the defendant to seek a reversal of this decision.

In a regular infringement action, as described above, the initial decision is usually issued within six months to a year. An appeal may take one-and-a-half to two years, while revision by the Supreme Court may easily take three years or more.

## 6. Ownership changes – legalization requirements

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When notifying the GPTO of a change of ownership of a trademark application or registration, the relevant documents filed need not be legalized – simple copies of such documentation are sufficient. There is no time limit for submitting the respective supporting documents. However, as long as the new material owner of the mark is not registered, the same may not enforce any right in the mark.

A licence does not need to be registered with the GPTO; consequently, any change in this regard does not have to be recorded either.

## 7. Areas of overlap with related rights

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A trademark may simultaneously be subject to copyright and/or design protection – including

under unregistered and registered Community design law – depending on its characteristics (eg, if it is a three-dimensional mark or incorporates an intricate design), as these respective legal frameworks are additionally available to trademark owners. Where the trademark is also a company name, the owner may also rely on the national Competition Act and the Civil Code, which contain provisions on the use of distinctive commercial signs and their enforcement. A further overlap with trademark rights may occur in the case of the title of a work (eg, a magazine or book). Most of these legal frameworks are concurrent and may thus be relied on simultaneously.

## 8. Online issues

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Generally – as is the case in conjunction with the labelling of goods and services – both registered and unregistered marks (trade names) may be used on the Internet, particularly on commercial sites to identify particular goods or services of an undertaking. The use of a commercial sign as a source indicator on the Internet may constitute infringement of earlier registered and unregistered marks, and may thus be prevented through appropriate enforcement measures. The mere registration of a commercial sign as a domain name is generally not regarded as commercial use of a domain name in the course of trade. Thus, only the use of a domain name in combination with a particular commercial content may constitute trademark infringement. The use of commercial signs as metatags in such circumstances may also constitute infringement.

