

Siebeke Lange Wilbert

Opportunities and risks beyond registered trademarks

While protection can be granted without registration, as well as offering opportunities to brand owners, unregistered protection is not without risk

A designation may be protected in Germany without registration. Protection is granted – irrespective of registration – to:

- a trademark that has been used in the course of commerce and has gained a certain degree of recognition among the relevant sector of the public;
- a well-known designation;
- a sign used as a company symbol;
- a sign used as a work title; and
- a domain name.

In addition, signs may be afforded protection in Germany under the Unfair Competition Act. However, opportunities and risks resulting from such unregistered rights should always be kept in mind.

Trademarks acquired by use and well-known trademarks

Under German law, trademarks need not be registered. A Community trademark may be acquired only by registration according to the Community Trademark Regulation. In practice, however, unregistered trademark rights play only a minor role in the IP arena, as companies regularly protect their trademarks by registering them as:

- a German trademark;
- a Community trademark; or
- an international registration mark whose protection is extended to Germany.

Rights arising from unregistered trademarks may be relevant, particularly for colour marks (Federal Supreme Court decision of September 4 2003, Case I ZR 23/01).

According to case law, in order for a trademark to acquire protection by use, it is sufficient that:

- the general criteria for a sign's ability of being protected as a trademark are fulfilled; and
- a considerable proportion of consumers

consider the sign as an indication that the goods originate from a particular manufacturer.

Thus, to acquire rights arising from an unregistered trademark, a sign must have a certain degree of reputation in the German market. This reputation or market recognition can be cultivated by using a sign as a trademark. The threshold for the scope of use that is necessary in order to obtain protection varies. There are no strict rules, but case law provides the following guidelines:

- Where a sign is inherently distinctive, the degree of recognition should be approximately 20%.
- If a sign is devoid of inherent distinctiveness and/or is descriptive, the threshold increases to approximately 50% (the same as for registered trademarks).

Whether a used sign enjoys a sufficient degree of reputation to be deemed as a trademark is assessed on a case-by-case basis.

Case law requires a higher degree of market recognition in specific cases. For example, in regard to acceptance as a trademark acquired by use of a sign consisting of an abstract colour, due to the limited number of available colours it is in the public interest to prevent a small number of trademark rights from monopolising colours, so the threshold is high.

It is also possible for well-known trademarks to acquire trademark protection without registration – namely, by notoriety as a trademark within the meaning of Article 6bis of the Paris Convention for the Protection of Industrial Property. Such well-known trademarks may be relevant only if a trademark has neither been registered nor acquired protection by use in Germany (eg, a foreign trademark which enjoys a high degree of reputation but is not used in Germany, since the relevant products are not

sold in Germany). However, the reputation which a trademark enjoys abroad is insufficient. A sign must have been used as a means by which to distinguish the origin of goods and services from other business origins (abroad or in Germany) and must have gained a reputation (in Germany) (Federal Patent Court decision of February 26 2009, Case 32 W (pat) 125/07). The threshold is high: as a general rule, the degree of reputation attained by a well-known trademark should be between 60% and 70%.

Company symbols and work titles

The most important rights to signs which enjoy protection without registration are the rights arising from company symbols (Section 5(2) of the Trademark Act). An example of a company symbol is a company name. Protection as a company symbol requires that a distinctive designation be used in the course of trade in an authorised manner. Protection for distinctive commercial designations arises from use as a company name, provided that such use suggests permanent economic activity. It is not required that the designation be registered or have gained market recognition. Thus, companies may acquire earlier rights in Germany over registered trademarks by merely using their firm name. However, depending on the territorial extent to which the symbol is used, the territorial scope of protection may be limited (eg, to cities), such as in cases where companies operate only regionally.

A company symbol may be infringed if a third party uses it as a trademark (Federal Supreme Court decision of October 9 2003, Case I ZR 65/00). Therefore, before using their trademarks or their company name in Germany, companies must search not only for trademarks which are confusingly similar, but also for earlier company symbols.

A company symbol ceases to be protected if the entitled party discontinues operations or changes the characteristic individual features of the company symbol. Companies must be cautious when they modernise their company name or change their corporate purpose. Rights arising from company symbols in Germany may expire if any changes are made to a company name or company law. This must be taken into particular account in mergers, in order to prevent the loss of early priorities and economic assets. Names of works, such as books, periodicals, films or music, are protected without registration. Protection of a work title arises from taking up the use of a designation as a work title and may be achieved at an earlier date by publication in the *Title Protection Gazette*.

Domain names

A domain name is not an absolute right. The owner of a URL acquires neither the title to the domain name nor any other absolute right in Germany by registration (Federal Supreme Court decision of January 18 2012, Case I ZR 187/10). A domain name owner's exclusive position occurs as a result of factual and technological reasons only – from the fact that a domain name can be assigned only once under a top-level domain. However, a domain or domain name may be the subject of IP rights. If a party uses a domain name (eg, for advertising and distributing certain products), protection as a trademark acquired by use may arise from market recognition if the above requirements are met. Market recognition, in turn, requires that the domain name have achieved a sufficient degree of reputation as a trademark.

Use of a domain name may also give rise to a corresponding company symbol. The requirement to be met (similar to trademark protection) is that the manner in which the domain name is used makes it clear that the domain name is not only used as an address name and that consumers therefore recognise that the designation chosen as the domain name is an indication of origin (Federal Supreme Court decision of July 22 2004, Case I ZR 135/01). Domain names may also be protected as work titles if the online presentation accessible under the domain names is a completed work capable of being protected as a title.

If a conflicting later domain name is not protected as a trademark, company symbol or work title, or if the domain name is not used in the course of trade, in principle it must yield to a protected earlier company symbol – at least if the company symbol is simultaneously protected as a right to a



Oliver Löffel
Partner
loeffel@siebecke.com

Oliver Löffel is a partner at Siebeke Lange Wilbert. He graduated from the University of Mainz and also studied law at the University of Lausanne. Mr Löffel has been a member of the Dusseldorf Bar Association since 2003. He specialises in the field of intellectual property and focuses on all areas of unfair competition and trademark matters, with special emphasis on litigation and domain name issues.



Sascha Abrar
Partner
abrar@siebecke.com

Sascha Abrar is a partner at Siebeke Lange Wilbert. He graduated with a doctorate from the University of Cologne (Germany) and with an LL.M. in intellectual property from Queen Mary College, University of London. Dr Abrar teaches IP law at the Dusseldorf University of Applied Sciences. He specialises in trademark law, unfair competition law, design law and copyright law, with a focus on strategic advice and litigation.

name. The owner of a company symbol which is identical to a domain name may principally request cancellation of the domain name based on its right to a name, even if there is no likelihood of confusion. However, it is not entitled to claim that the domain name be transferred.

Using a registered trademark as a domain name does not constitute genuine use without further requirements. The Federal Supreme Court recently ruled that a Community trademark which consists of the last name of a well-known individual (in that case, the musician Frank Zappa) was not used genuinely within the meaning of Article 15(1) of the Community Trademark Regulation, as the domain name 'zappa.com' implied to consumers that the website provided information on Zappa's work and life (Federal Supreme Court decision of May 31 2012, Case I ZR 135/10).

Unfair competition law

A relatively new and relevant development is protection from confusion of signs under the unfair competition law. This protection is based on the EU Unfair Commercial Practices Directive (2005/29/EC). According to Article 6(II) of the directive, a commercial practice shall be regarded as misleading if, in its factual context, it causes or is likely to cause the average consumer to "take a transactional decision that he would not have taken otherwise...and it involves any marketing of a product, which creates confusion with any products, trade marks, trade names or other distinguishing marks of a competitor".

The German legislature implemented this provision in Section 5(2) of the Unfair Competition Act. These provisions are applicable in addition to the Trademark Act (Dusseldorf Higher Regional Court decision of September 5 2011, Case I-20 U 98/10), however, the Federal Supreme Court has not yet rendered a decision on this issue.

The Federal Supreme Court has yet to decide whether protection of signs to be afforded under unfair competition law requires a registered trademark or a trademark acquired by use on the grounds of market recognition. It may be sufficient that the sign be present in the market through a certain use. Signs which are protected under the unfair competition law are thus also designations which are only used and are considered as signs by consumers. Owners of signs and companies which cannot base their claims on a protected mark or a protected company symbol in Germany should consider that their designation could be protected under the unfair competition law. [WTR](#)