

Siebeke Lange Wilbert

Going shopping in Germany

In choosing a litigation strategy, brand owners would be advised to choose their venue, as well as the precise course of action, carefully

In the event of a trademark or company name (trade name) being infringed, the proprietor can take certain action against the infringer, including a cease and desist action, claims in damages or proceedings for the disclosure of information and for destruction. The licensee of a German or Community trademark may not issue proceedings for infringement of its licensed trademark without the consent of the trademark proprietor. However, the holder of an exclusive licence to a Community trademark may sue without the consent of the trademark proprietor if the proprietor fails to issue infringement proceedings itself within a reasonable period at the request of the licensee. Trademark proceedings may also be brought by a claimant in a representative action. For these purposes, the claimant must be duly authorised by the trademark proprietor and have an interest in bringing a representative action that is deserving of protection.

Forum shopping

In Germany, proceedings for infringement of a German trademark or company name may be brought only in certain district courts. Proceedings may also be brought in certain statutorily designated courts in Germany in the event of infringement of a Community trademark. Under a process known as 'forum shopping', a claimant may choose a district court from the various courts with jurisdiction in Germany if the trademark infringement was committed or is threatened anywhere within the German territory. Therefore, in the case of trademark infringements on the Internet, a claimant may choose any trademark court in Germany that it considers to be particularly suitable, as trademark infringement online is, or can be, committed anywhere in Germany. Furthermore, a claimant can issue

proceedings in the court of the district in which the defendant has its place of establishment.

Interlocutory injunctions

The proprietor of a trademark or company name can apply for interlocutory relief in the event of infringement of its rights to distinctive signs. The most popular type of interlocutory relief in trademark practice is a cease and desist action by way of an interlocutory injunction. In the event of an obvious infringement, the proprietor of a trademark or company name may also assert a claim for the disclosure of information by way of an interlocutory injunction and seizure of the infringing goods.

One of the prerequisites for obtaining an interlocutory injunction to prohibit the use of a designation is that an immediate interim prohibition is urgently required. In the case of trademark or company name infringement, an interlocutory injunction will usually be urgent due to the risk of loss caused by confusion in the marketplace. However, in practice an application for an interlocutory injunction may fail because the proprietor has waited too long after learning of the infringement before launching interlocutory injunction proceedings. If the conduct of the proprietor makes it clear that it does not regard the matter as urgent, by waiting too long, no interlocutory injunction will be granted. The question of how long a trademark proprietor should be allowed to wait before applying for an interlocutory injunction must be decided in each individual case. However, to be on the safe side, a trademark proprietor should not allow more than one month to elapse between learning of the act of infringement and the identity of the infringer and making an application for an interlocutory injunction.

Unlike in the case of full judicial proceedings, an applicant for an interlocutory injunction need not prove its claim in full – by naming witnesses, for instance. However, it must substantiate the facts that are in its favour – for example, that it is the proprietor of an earlier right. An applicant must convince the court that an infringement of its rights is probable and may do so through the production of affidavits. Witness testimony will not generally be heard.

The court will generally issue an interlocutory injunction within two to three days of an application being filed, without the need for an oral hearing; if the court considers that rights have been infringed, a court order will be made. The order prohibits the act of infringement on penalty of a fine or imprisonment. An interlocutory injunction must be served on the infringer by the applicant in order to take effect. A court bailiff will usually be instructed to serve the interlocutory injunction on the opponent, which will take effect once it has been served. The opponent may lodge an objection to the interlocutory injunction ordered. However, in principle, the opponent must abide by the interlocutory injunction until such time as a decision has been reached on the objection.

There are also risks to the trademark proprietor – an unjustified interlocutory injunction can result in payment of damages. If an opponent lodges an objection to an interlocutory injunction and the interlocutory injunction is cancelled, the applicant must indemnify the opponent for the losses that it incurred as a result of the interlocutory injunction. If the legal position is not clear-cut, it can make sense to issue a writ and not apply for an interlocutory injunction so as to reduce the risk of having to pay damages.

Cease and desist action

Where a trademark or company name infringement is threatened, a person with a legitimate interest may bring a preventive cease and desist action if there is a threat of unlawful infringement of a right to a distinctive sign. If trademark infringement has already occurred, a cease and desist action may be brought against the infringer on account of the risk of repetition of the infringement. A cease and desist action may be brought even if the infringer was unaware of the infringement. The infringer may avoid proceedings by giving the proprietor an undertaking to cease and desist and agreeing to pay a contract penalty in the event of future infringements. Termination of the infringement, on the other hand, will not be enough to eliminate a risk of repetition and avoid legal proceedings.

Claim in damages

As well as a cease and desist action, the proprietor of a trademark or company name may claim damages in judicial proceedings. As a claimant cannot immediately quantify its loss, it may first bring proceedings for the disclosure of information as to the infringer's sales, and in order to establish liability in damages with a view to issuing a claim in damages. It may sue for a particular amount of damages at a second stage if the defendant does not pay up on demand.

Proceedings for disclosure of information

As well as suing for disclosure of information on the infringer's sales with a view to issuing a claim in damages, German law allows a proprietor to demand information on the origin of the unlawfully designated goods and the sales channels used (by way of judicial action or, in the case of an obvious infringement, by way of an interlocutory injunction). The proprietor may require the infringer to give details of the names and addresses of manufacturers and suppliers of infringing goods and to state the quantity of goods manufactured and supplied.

Action for production of documentation and inspection of goods

As a result of the EU IP Rights Enforcement Directive, the German Trademark Act provides that the proprietor of a trademark or company name may require an infringer – by way of judicial action or (in certain circumstances) by way of an interlocutory injunction – to produce documentation or allow inspection of goods where infringement is probable, and the



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production of documentation or inspection of goods is necessary to establish claims against the infringer. This claim can also extend to the production of financial and commercial documents (including bank documents) if it is probable that the infringement was committed on a commercial scale.

Proceedings for destruction and recall

Where the rights of the proprietor of a trademark or company name are infringed, it may demand in judicial proceedings that the illegal goods in the infringer's ownership or possession be destroyed, unless this would be disproportionate. The proprietor may also require the infringer to recall goods with an illegal designation and – remove them from sale. [WTR](#)