

EU Trademark Law Reform – An Overview.

EU trademark law reform – An overview

In December the new EU trademark reforms were enacted. Yesterday, on 23 March 2016, the reform of the CTM Regulation came into force. Against this, the implementation of the new EU Trademark Directive which will further harmonize the national trademark statutes will be due only by 2019. In the following, a short overview over the most important changes to the CTM Regulation shall be given.

I. NAME

In the future, the OHIM is now called the “European Union Intellectual Property Office” (EUIPO) and the Community trademark is called “European Union Trade Mark” (EUTM).

II. MARKS

1. Certification marks

The EUTM Regulation introduces, as 1 October 2017, certification marks in addition to standard trademarks and collective marks. Certification marks do not distinguish trademark by their commercial origin, but by their characteristics of the goods or services. They distinguish goods or services „*which are certified by the proprietor of the mark in respect of material, mode of manufacture of goods or performance of services, quality, accuracy or other characteristics, with the exception of geographical origin, from goods and services which are not so certified*“.

2. Excluded signs

The exclusion from registration of signs which consist exclusively of a functional shape (a shape which results from the nature of the goods themselves, which is necessary to obtain a technical result, or which gives substantial value to the goods) is extended to exclude signs which consist exclusively of the shape, or *another characteristic*, of the goods. It remains to be seen how the courts will define the relevant characteristics. This might be, for example, a signal color or signal sound of a security device. While they might have already been excluded for lacking inherent distinctiveness in the past, their lacking distinctiveness can no longer be overcome by proving a secondary meaning and distinctiveness that has been acquired by intensive use and recognition as a trademark.

III. GRAPHICAL REPRESENTATION

As of 1 October 2017, it will no longer be necessary to file a graphical representation of the trademark. It will then be easier to file non-traditional trademarks such as sound marks and movement marks. Still they will have to be represented “*in a manner which enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor*“.

IV. SPECIFICATION OF THE GOODS AND SERVICES

As a consequence of the CJEU's decision in the "IP Translator" case, there is a period of six months during which owners of EUTMs dating from before 22 June 2012 which cover entire class headings will have an opportunity to amend the goods and services to include those which they really intended to cover, in addition to the class heading. More details regarding this topic can be taken from the separate article "EU Trademark law reform – The specification of goods and services".

V. PRIORITY

Priority claims have to be filed together with the application, not subsequently.

VI. FEES

The fee structure, the fees and the due date of some fees has changed.

1. Fee structure

The application fee does no longer cover up to three classes. Instead, each class has to be paid separately. The same applies to renewal fees.

2. Amount of fees

The official application fee and the renewal fee has changed:

	Application Fee in EUR	Renewal fee in EUR
1 st class	850	850
2 nd class	50	50
3 rd class	150	150
further classes	150	150

The current application fee for an application in up to 3 classes is EUR 900, the current renewal fee is EUR 1,350. This means that

- (a) for one class,
 - the official application fee for one class has been reduced from EUR 900 to EUR 850,
 - the official renewal fee for one class has been reduced from EUR 1,350 to EUR 850;
- (b) for two classes,
 - the official application fee remains EUR 900 like under the old system,
 - the official renewal fee has been reduced from EUR 1,350 to EUR 900;
- (c) for three classes,
 - the official application fee has been increased from EUR 900 to EUR 1,050,
 - the official renewal fee has been reduced from EUR 1,350 to EUR 1,050.

3. Due date of renewal fees

Renewal fees must be paid at the renewal date rather than at the end of that month.

VII. OPPOSITIONS

1. Proof of use period for oppositions

Currently, an opponent who owns a trademark registration which is older than 5 years can be required to file proof of use of that trade mark for the 5 year period ending on the publication date of the opposed trademark. This period has changed to the 5 years ending on the filing or priority date of the opposed trademark, whichever is the earlier.

2. Opposition period against EU designations of IR marks

In cases in which the EU has been designated in an International trademark registration under the Madrid System, the opposition period does no longer start to run only six months from the date of publication, but already one month from that date.

3. Oppositions based on PDOs and PGIs

Protected Designations of Origin and Protected Geographical Indications are expressly mentioned as basis for an opposition. While an opposition could be based on them already in the past as "other signs used in the course of trade" it is now no longer necessary to prove that they have more than mere local significance.

VIII. COUNTERFEITS

It is now possible to prevent the entry of infringing goods into the EU territory in all customs situations, including transit, free zones, temporary storage, inward processing and temporary admission, and even if the goods are not intended to be sold in the EU.

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EU Trademark Law Reform – The Specification of Goods and Services.

On 23 March 2016 a reform of the Community trademark law has come into force. Among other amendments of the CTM Regulation it gives owners of Community trademarks (which are now called “European Union Trade Marks” or “EUTMs”) or of International registrations designating the EU the chance to clarify the scope of protection of their mark.

Background - the “IP Translator” decision

The background is the “IP Translator” decision of the Court of Justice of the EU (CJEU) of 19 June 2012. Prior to the “IP Translator” decision, EUTM applicants often used the general indications of the class headings of the Nice Classification instead of listing all goods and services of interest individually when identifying the goods and services for which the EUTM should be registered,

e.g. “*cosmetics*” instead of “*make-up, nail varnish, lipsticks*”.

In a case, in which the EUTM used *all* general indications of the class headings of a class of goods or services, the Office for Harmonization (which is now called “European Union Intellectual Property Office” or “EUIPO”) had considered such a specification of goods and services to cover all goods or services falling within the Alphabetical List of the class concerned - even if they were not covered by the literal meaning of the general indications of that class heading,

e.g. the class heading of Class 15 that consists of the general indication “*musical instruments*” only would have covered goods like music stands, tuning forks and conductor's batons even though they are not musical instruments in a literal sense.

New approach after “IP Translator”

In the “IP Translator” decision, the CJEU held that the general indications of the class headings include only goods or services covered by their literal meaning. The decision has now been codified by **Article 28** of the new EU Trademark Regulation (EUTMR). EUTMs that contain general indications of class headings are therefore now be limited to their literal meaning,

e.g. a EUTM for “*musical instruments*” will no longer cover music stands, tuning forks and conductors' batons.

The new approach will apply retrospectively and extend to all EUTMs

- which have been filed **after 21 June 2012** (the date when the communication of EUIPO on its implementation of the „IP Translator“ decision came into force) and
- which have been filed **on or before 21 June 2012 but are still not registered** on 23 March 2016.

Safeguarding the previous protection

To safeguard the previous scope of protection, **Art. 28 (8) EUTMR** provides for a period of six months from 23 March to 23 September 2016 during which owners of EUTMs

- which have been filed **on or before 21 June 2012** and
- which are registered for an **entire class heading** of the Nice Classification

have the opportunity to amend, by way of a particular declaration, the specification of goods and services to include, in **addition to the general indications** of the class heading, those goods and services which do not fall within the literal meaning of the general indications but which the owners intended to cover. If no declaration is filed, the mark will be automatically limited to cover only the literal meaning of the general indications of the class headings.

As long as terms have been used when filing a EUTM which cover the goods and services that are relevant by their literal meaning, it is not necessary to go through those EUTMs class by class, to work out which cover entire class headings and what goods or services might not be covered by the literal meaning of the words of that class heading but need to be covered, and to file respective declarations for each EUTM. Of course, this could be done if desired to be on the safe side.

However, there may be cases in which certain goods or services seemed to be irrelevant at the time when the EUTM was filed but which have turned out to be of interest in the meantime due to an extension of the use of the EUTM. In such a case, it is advisable to take the opportunity and add, if possible, those goods or services of upcoming interest by Art. 28 (8) declarations.

If you consider filing an Art. 28 (8) EUTMR declaration

the following should be noted:

- The wording of Art. 28 (8) EUTMR and of the Communication of EUIPO concerning the implementation of Art. 28 (8) EUTMR suggest that an amendment will be possible only if the EUTM in question had already been **registered on 23 March 2016**.
- Only those specifications can be amended that cover at least one **entire class heading** of a Nice Class. For EUTMs which do not include an entire class heading but are registered,
 - e.g. only for *“soaps; perfumery, essential oils, cosmetics, hair lotions”* in class 3,
 Art. 28 (8) EUTMR does not allow an amendment.

Against this, an amendment will be possible if the specification covered additional goods or services along with (all) the general indications of the class heading.

- Specifications of goods and services can be amended only to include those terms which had been covered by the Alphabetical List of the **edition of the Nice Classification** that was in force at the time when the EUTM application had been filed. Between 1996 and 2012, the Nice Classification existed in five different editions. It will therefore be necessary to check which edition applied to the EUTM at issue.
- The amendment of the specification will be without prejudice to the **use requirement**. The addition of a good or service not covered by the literal meaning of the original specification will not set off a new grace period for putting the mark to use.

Alternative - Partial surrender acc. to Art. 50 EUTMR

According to Art. 50 EUTMR, EUTM owners may surrender part of their EUTM by deleting certain goods and services from the specification of goods and services. In this case **the class heading will be replaced** by the full alphabetical list of goods and services listed in the relevant Nice Classification for that class - less one good or service as otherwise nothing has been surrendered.

Differences between the options

Both options, an Art. 28 (8) declaration and an Art. 50 partial surrender, achieve a similar outcome, and neither option requires the payment of an official fee. However:

- Additional goods and services added by an Article 28 declaration will be subject to certain **defenses** if EUTM owners try to assert their marks against third parties.

Acc. to Art. 28(g) EUTMR, the EUTM

„shall not prevent a third party from continuing to use a trademark in relation to goods or services where and to the extent that the use of the trade mark for those goods or services:

(a) commenced before the register was amended; and

(b) did not infringe the proprietor's rights based on the literal meaning of the record of the goods and services in the register at that time.“

This defense does not apply to partial surrenders.

- Article 28 (8) EUTMR declarations will retain the class headings and add only a list of some additional goods and services. Against this, partial surrenders acc. to Art. 50 EUTMR delete the class headings and replace them with a **long list of goods and services**.
- The choice may be relevant in the context of a possible **non-use attack** on a mark. The use of the EUTM for particular goods may maintain the protection of a general indication that remains in the specification of goods and services after an Art. 28 (8) declaration, or at least of a sub-group of goods that is broader than the particular goods for which the mark is used. Against this, a partial surrender acc. to Art. 50 EUTMR will create a list of goods and services that can be limited to only the particular goods for which use can be proved,

e.g. the owner of a EUTM for “*musical instruments*” who only sells trumpets under the mark may keep the protection for “brass instruments” and thereby for trombones, horns and tubas in case of an Art. 28 (8) declaration while being cut down to trumpets in case of an Art. 50 partial surrender.

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EU: Unregistered EUTM licenses can be enforced.

In a decision of 4 February 2016, case no. C-163/15, the Court of Justice of the European Union has ruled that a licensee may enforce a valid EU trademark (EUTM), despite the licensing agreement not being registered with the European Union Intellectual Property Office (EUIPO).

The question arose in a case in which the licensee Breiding of EUTM 'Arktis' had sued rival Mr. Hassan who had used the sign 'Arktis' in connection with beds and covers. EUTM 'Arktis' covers bedding and baggage materials and is owned by KBT. KBT had granted a license in favor of Breiding allowing it to use the EUTM. The license agreement stipulates that Breiding is to assert, in its own name, rights arising from infringement of the trade mark. The license was, however, not registered with EUIPO.

Upon a cease and desist letter, Mr. Hassan had submitted a 'cease-and-desist declaration', by which he undertook to refrain from using the sign 'Arktis' for bedding, failing which he would be subject to a penalty for non-compliance, but the declaration left damage claims and claims for destruction of infringing goods unaddressed. Breiding therefore enforced those claims in court. The District Court sided with Breiding but Mr. Hassan appealed against the decision. The Court of Appeal of Düsseldorf, unsure about whether a third-party could assert a EUTM claim if the licensing deal was not on EUIPO's register, referred the case to the EUJEU.

According to the first sentence of Art. 23(1) of the EUTM Regulation certain legal acts, namely a transfer in title, the granting of a right in rem (pledge) and the granting of a license in a EUTM "shall have effects vis-à-vis third parties in all member states only after entry in the register". However, according to the second sentence of Art 23 (1) EUTMR, such an act, even if not yet entered, shall nevertheless have effect vis-à-vis third parties who have acquired rights in the trade mark after the date of that act but who knew of the act at the date on which the rights were acquired. In a previous decision, the Court of Appeal had therefore ruled that the first sentence of Article 23(1) of the Regulation (likewise) dealt only with the fate of such acts in case of an acquisition of the EUTM, i.e. the possibility of a 'good faith' acquisition by which the EUTM would be transferred without being affected or encumbered with such acts.

As in this case the license was not to be upheld in relation to an assignee of the EUTM but enforced against an infringer of the EUTM, the Court of Appeal tended to allow the enforcement of the EUTM by the licensee Breiding. It was, however, reluctant to do so as a Spanish court had taken the view that the licensee may invoke rights vis-à-vis third parties only after the license has been entered in the Register – a position supported by a purely literal reading of Art. 23 (1) EUTMR.

Being asked for a preliminary ruling the EUJEU pointed out that, in interpreting a provision of EU law, it is necessary to consider not only its wording but also the context in which it occurs and the objectives pursued by the rules of which it is part. The EUJEU observed that the second sentence of that paragraph qualifies the rule set out in that first sentence and that Art. 23 EUTMR is part of the section containing rules relating to the EUTM as an object of property. It referred to the fact that according to Art. 17 (6) EUTMR, as long as the transfer has not been entered in the Register, the successor in title may not invoke the rights arising from the registration of a EUTMR, while there is no corresponding provision in Art. 22 EUTMR related to licenses. The Court therefore held that Article 23 (1) EUTMR must be interpreted as meaning that the licensee may bring proceedings alleging infringement of the licensed EUTM, although the license has not been entered in the register. The case will now return to the Court of Appeal.

The decision will strengthen not only the position of licensees but give additional comfort to EUTM owners who do not wish to be involved in the lawsuit, in particular if they are not active in the business concerned and prefer to leave it to the licensee to fight for its interests. This is even more important in relation to countries in which the procedural rules do not permit the licensee, as an alternative strategy, to enforce the rights in the EUTM on behalf of the EUTM owner by virtue of a respective power conferred on it for that purpose.

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Shaken, not stirred – not every famous quote makes a mark.

In a decision of 10 December 2015 (Opp. No. B 2 472 317), the EUIPO held that a famous quotation from a movie (“Shaken, not stirred” from the James Bond movies) is not a trademark and therefore not a proper basis for an opposition.

There is quite a number of quotations from TV movies that have become famous, and the producers of the movies may wish to consider them as their intellectual property. However, while the quotations may indicate a “personal” origin, the movie character saying the famous words, they do not necessarily function as an indication of commercial origin.

In the case decided by the EUIPO, the opponent had based the opposition against the EUTM application for “Shaken, not stirred” on a non-registered trademark used in the course of trade in the EU that the EUIPO interpreted as being non-registered trademarks in each of the EU member states. The opponent did not submit any information on the possible content of the rights invoked or the conditions to be fulfilled to be able to prohibit the use of the contested trademark under the laws of the Member States. Instead it submitted printouts from encyclopedias and newspapers demonstrating the consumers’ recognition of the expression “Shaken, not stirred”, articles on the fame of the quote and the like.

However, as EUIPO pointed out, the evidence did not show that the quote had been used with the aim of indicating the origin of the services claimed, i.e. entertainment; production, distribution and rental of motion picture films. The films contained the quote but it was not their trademark. It remained open whether the expression might be protected under copyright law as copyrights are not a basis for oppositions.

In a side note, we may remind the readers of a decision by the German Patent Court (of 6 February 2014, case 30 W (pat) 14/12) in which an – accidental - implementation of a famous movie quotation found its way into the trademark register. The underlying application proceedings related to the combination of images of parts of two world famous artworks, namely Michelangelo’s David and Botticelli’s Venus in such a way that they were facing each other.



Leaving it open whether or not each of the images by itself might be capable of trademark protection, the court stated that this was at least true for their combination. It thought that the particular composition, where it seemed as if David were looking at Venus, was unusual and sufficient to render the

mark distinctive – as distinctive as Bogart’s famous line when he toasted Bergman in “Casablanca“:
“Here’s looking at you, kid.”

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Transformation of a EUTM and claims for infringement.

In a decision of 23 September 2015, case I ZR 15/14, the German Supreme Court ruled that a claim for infringement of a transformed EUTM can be made only after the registration of the national trademark.

The question arose in a case in which the owner of EUTM “Amplidect” that was registered in 2004 i. a. for telephones and telephone answering machines had sued a competitor who had registered and used the sign “ampliteq” in 2008 in connection with cordless telephones. By way of a preliminary injunction, the owner of the EUTM stopped the further use of the sign “ampliteq” in 2008. Since then, the competitor used the sign “amplicom” instead. By way of an ordinary lawsuit, the owner of the EUTM then sought to have the preliminary injunction confirmed in a final decision.

To defend his registration and use, the competitor applied for the invalidation of EUTM “Amplidect” for descriptiveness. The Board of Appeal of EUIPO found that “amplidect” was descriptive of telephones in the French language and declared the EUTM invalid. The General Court of the EU confirmed the invalidation. As a consequence thereof, the owner of the EUTM applied for the transformation of the invalidated EUTM into national trademark applications, i. a. in Germany where the trademark was registered in 2012.

The owner of the invalidated EUTM took the position that the invalidated EUTM and the German trademark arising from the EUTM’s transformation were the same trademark so that the claims originally based on the EUTM could now be continued to be asserted on the basis of the German trademark.

The German Supreme Court distinguished between the claims for past infringement and future infringement.

With respect to the claims in particular for damages and destruction of infringing goods related to the past, namely the time before the preliminary injunction had been handed down and stopped the infringement, it held that these claims were not founded. Even though the infringement had taken place at a time when the EUTM still existed this could not be taken into account as the invalidation had retroactive effect. From a consideration ex post, there had been no infringement of the EUTM. The claims could not be based on the German trademark either as it was registered in 2012, i.e. a time when the infringing use of “ampliteq” had already been ceased subsequent to the preliminary injunction.

The Supreme Court expressly addressed the dispute among German courts as to what the effect of the transformation of a EUTM was. Insofar, some courts take the position that the transformation is limited to the effect that the national mark may benefit from the EUTM’s priority date. The Court of Appeal of Düsseldorf deciding in this case, in contrast, had ruled that the German trademark did not only share the EUTM’s priority date but that the EUTM and the German trademark into which the invalidated EUTM had been transformed incorporate the same right. The Supreme Court left this dispute undecided because even if the German trademark was the same right as the EUTM its protection would commence only as of the date when the German trademark had been registered. The alleged infringement committed by using the sign “ampliteq” until 2008 was therefore actually outside the period of protection of the trademark “Amplidect” and did thus not constitute an infringement. Consequently, the owner of the trademark could not claim damages, information, destruction and reimbursement of costs.

Against this, the Supreme Court confirmed the right to injunctive relief by which a future use should be prohibited. Following a well-established German court practice, it held that the fact that the competitor had maintained the registration of “ampliteq” as a trademark suggested that the use of the trademark “ampliteq” might be recommenced in the future. After the German trademark had been registered in 2012, the future-oriented injunctive relief was therefore well-founded under the principles of preventive legal protection from expected infringement. Insofar, the Supreme Court did not accept the competitor’s argument that he had ceased the use of “ampliteq” since 2008, i.e. for many years, without there being any indication for a planned recommencement of such a use. It is the mere registration of an infringing trademark as such that raises the assumption of its future use.

The decision clarifies an important aspect of the transformation of EUTMs in a way that is consistent with the legal mechanisms of trademark protection. It postpones, however, the protection of the trademark in a way that should make applicants of next-to-descriptive trademarks consider filing national trademarks at least in the most important EU member states. They can thus avoid the loss of many years of trademark protection in important markets because of the invalidation of a EUTM due to its descriptive nature under the circumstances of a market of remote interest.

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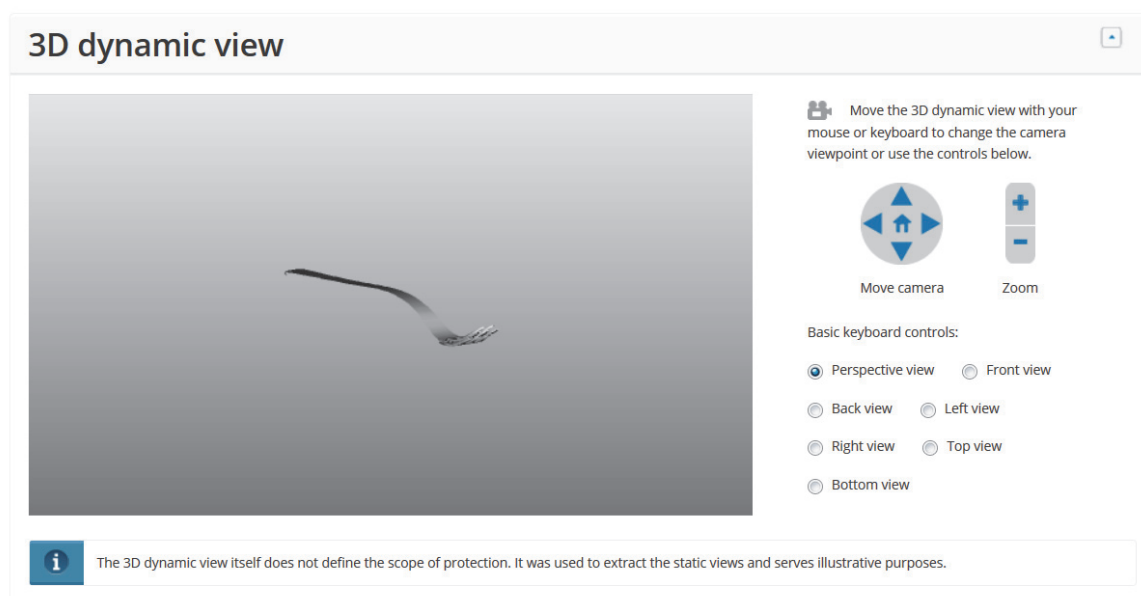
Community Designs – EUIPO`s new 3D image upload function.

EUIPO has recently released a new design e-filing tool that allows applicants to use a 3D image upload function.

The tool enables applicants to present a design from different camera angles. A 3D CAD file can be uploaded and stored. Applicants can move their 3D image, zoom in and out and take snapshots of different views. Still the applicant needs to select between one and maximum 7 static views but there is now the option to add three additional non-protected views of the design in order to claim priority in other countries (as some offices accept more than 7 views). Once registered, the 3D image will be visible on EUIPO's search engine "eSearch plus".

EUIPO already received the first design registered using a 3D uploader claiming protection for the design of a fork: <https://oami.europa.eu/eSearch/#basic/1+1+1+1/50+50+50+50/2806463>

RCD 2806463-001



The 3D dynamic view allows the user to move the camera, to zoom in and out and to change the different views such as perspective view, front view, back view, left view, right view, top view and bottom view.

The 3D model shall however have no effect on the scope of protection of the design as such. To avoid any doubt EUIPO placed a legal note in its database that says *"The 3D dynamic view itself does not define the scope of protection. It was used to extract the static views and serves illustrative purposes"*. Nevertheless, it cannot be denied that a 3D dynamic view is certainly different from seven static views and, depending on the type of product, might give a very different impression of the design. Thus, if viewed by a court or an examiner in an infringement or invalidation action, the 3D image may in certain cases lead to

different results. Anyhow, in many cases it is probably a very helpful tool for design owners to provide a better impression of their products as well as for database users to better understand the design that is registered.

On the other hand the 3D image function might also yield benefits to counterfeiters that might try to download the CAD file and use a 3D printer to reproduce the design. On EUIPO's website there is no function to download or store the CAD file that had been uploaded by the applicant. Smart IT people might probably still be able to get it.

EUIPO's new 3D tool is streamlined, innovative and offers interesting new options. It is certainly helpful for applicants and users but maybe also for potential infringers.

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A tooth for a stool – When different styles can still make one design.

In a decision of 6 October 2015, case no. I-20 U 213/14, that was published only recently, the Court of Appeal of Düsseldorf ruled that a design registration containing two representations showing different styles of a product provides protection for one unitary design right only and does not enlarge the scope of protection.

The plaintiff owns a German design registration for its famous solid wood stool called “Backenzahn”, which literally translates to “back tooth”. The name of the stool refers to the overall impression produced by the stool that remotely reminds of a back tooth.

The design registration shows two representations of the stool, namely one picture as shown in fig. 1 and one line drawing as shown in fig. 2.



fig.1

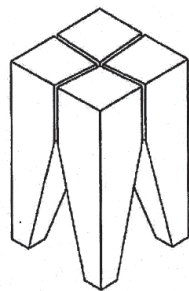


fig.2

The plaintiff sued the defendant who distributed a stool as shown in fig. 3 for design infringement.



fig.3

One of the crucial questions of the case was the scope of protection enjoyed by the plaintiff's design registration. It is evident that the two registered representations of the stool, the picture on the one hand and the line drawing on the other hand, are not completely identical and thus it was discussed which representation was decisive. In this regard it was brought forward that the special material as it could be seen on the picture (namely heartwood from a tree with drying cracks) was not relevant since the scope of protection was independent from the material as confirmed by the line drawing. Also, it was claimed that the seat shell that could be seen in the picture was not visible in the line drawing and thus was not an element of the design registration. This argumentation implies that the protected design is shown in the line drawing and that the picture only gives an example of one of the possible versions of the design.

In both instances the courts did not follow this argumentation by making reference to decisions of the German Supreme Court. In the precedent case “Weinkaraffe” the Supreme Court had ruled that one registration could provide protection only for one unitary design right even if the design registration contained two different representations, namely one showing the product as a whole and one showing a part of the overall product. In the decision “Sitz-Liegemöbel” the Supreme Court had confirmed that two differing representations could not lead to a multiplication of the design protection but that protection could be claimed only for the design elements that were shown in both representations. Further, the Supreme Court had confirmed in both cases that in case of uncertainty, the court should determine the scope of protection of the design registration by way of interpretation.

In the present case the Court of Appeal of Düsseldorf found that the informed user would recognize that the line drawing had been filed only in order to highlight the characteristics of the design that could not readily be gathered from the picture alone. Thus, the court was of the opinion that the picture was decisive and that the material as well as the seat shell formed part of the protected design. As regards the infringement the court found that the overall impression produced by the defendant’s product on the informed user was not identical with the overall impression provided by the claimant’s protected design. Whereas the protected “Backenzahn” design gave the impression of a cube shaped body combined with four celled blocks or “roots” (and thereby reminding of a back tooth), the challenged product gave the impression of a solid box with triangle gaps in the lower part. The defendant’s product was neither made of heartwood from a tree with drying cracks nor did it contain a seat shell. Thus, the challenged product did not infringe the claimant’s design according to the court’s view.

Once again, this case shows how important it is for the success of infringement proceedings to make the right decisions during the filing process, namely to choose those representations that provide the largest scope of protection. In some cases this could also mean to file more than one design registration at the same time e.g. for different styles or for the overall product and parts thereof. If filed in a multiple application the additional costs for additional designs are minimal whereas the benefit in infringement proceedings could be immense.

In order to avoid uncertainties as to the scope of protection it is advisable not to mix pictures and line drawings and to make sure that the representations always show the same style of the design. EUIPO’s convergence program CP6 relating to a common practice of the trademark offices on graphic representations of designs also recommends in its recent report that a design should be represented using only one visual format (drawing or photograph) so as to avoid disclosing aspects that contribute to a different overall impression.

Generally, it is preferable to file photographs or computer animated pictures as they usually give a better impression of the overall design than line drawings. However this might be different in case of filing of international registrations under the Hague Agreement since some of the non-EU countries accept line drawings only.

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New litigation risks in data protection law.

Data protection law has become more and more relevant in Germany in recent years. This is especially true because German courts are more willing to consider infringements of data protection regulations to be acts of unfair competition today than some years ago. The German legislator has now further enhanced the importance of data protection law by giving certain consumer and trade associations a broad competence to sue companies for collecting, processing or using consumer data non-compliant with data protection regulations. Legal and compliance departments may therefore need to pay (even) more attention to consumer data protection than before.

Due to recent German federal legislation qualified consumer associations as well as certain trade associations are now entitled to litigate against companies infringing data protection regulations by collecting, processing or using data of consumers for commercial purposes. According to the so-called German “Unterlassungsklagengesetz” (German Act on Injunctive Reliefs, UKlaG) the aforementioned associations have legal standing as claimants in cases of infringements of several German and European consumer protection laws such as regulations concerning consumer loans. The list of consumer protection laws in section 2 paragraph 2 UKlaG has now been extended by consumer data protection laws.

Due to this extension data protection regulations are now bindingly considered as consumer protection laws. In the past German courts regularly held that data protection regulations neither served the purpose to specifically protect consumers nor intended to regulate market behavior in the interest of market participants (the latter is a precondition for the applicability of the German Act Against Unfair Competition (UWG)) and therefore dismissed claims of consumer associations based on alleged infringements of data protection laws.

The competence of certain consumer and trade associations to object to illegal data privacy practices is, however, not completely new. The UKlaG has already provided for such competence with regard to the use of invalid terms and conditions. Therefore the use of pre-drafted declarations of consent regarding the use of consumer data for e.g. advertising purposes has already been the subject matter of court proceedings initiated by German consumer associations. Furthermore such associations may also assert claims according to the UWG. For example the German consumer association “Verbraucherzentrale Bundesverband” successfully sued Facebook for using several clauses in its terms and conditions that – in the opinion of the Berlin civil courts – did not comply with German data protection laws.

However, the German legislator felt that the protection of consumers against the illegal collection, processing and use of their personal data needed further improvement. Whereas the consumers themselves were often reluctant to enforce their rights and the data protection authorities were unable to broadly control commercial data processing practices, qualified consumer associations are considered to be well prepared to enforce data protection laws in particular if high numbers of consumers are concerned. Furthermore such consumer associations had the financial power to initiate and end legal proceedings even against big companies.

The litigation competence according to Sec. 2 (2) UKlaG literally includes infringements of almost any data protection regulations and therefore almost any purpose of collecting, processing and using consumer data: advertising, market and opinion research, operation of a credit inquiry agency, generating personality and user profiles, address and data trading as well as comparable commercial

purposes. As a consequence defendants may not argue any more that certain purposes of data processing and the corresponding regulations do not fall within the scope of application of the UKlaG. However, the new legislation provides for one exception. Competent consumer and trade associations are still not entitled to claim injunctive relief in cases of infringements of regulations regarding the collection, processing and using of consumer data necessary for the conclusion, execution or cancellation of a contractual or similar relationship with the consumer concerned. Furthermore data transfers to the U.S. that were justified by the former Safe Harbor decision until it was held invalid by the European Court of Justice on 6 October 2015 may not be subject to the litigation competence of consumer and trade association until 30 September 2016.

In the legislation process concerns were expressed that some associations could abuse their new competence by sending high numbers of cease and desist letters in order to generate reimbursement claims rather than serving data protection purposes. Therefore Sec. 2a UKlaG provides for a prohibition of such abusive litigation. However, our experience shows that it is quite difficult in the majority of cases to prove such an abuse on the claimant's side. Furthermore the qualified consumer associations are obliged to report the number of cease and desist letters sent and court actions taken to the Federal Office of Justice on a yearly basis.

In court proceedings a consultation of the competent data protection authority is mandatory except for preliminary injunction proceedings held without oral hearing. This may have the (further) downside for the defendant that the authority might start its own investigation that may end up in the imposition of penalties.

If you have any questions or if you require more detailed information, please do not hesitate to contact us.

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German Federal Court: No general liability for hyperlinks.

In a decision of 18 June 2015, docket no. I ZR 74/14, The German Supreme Court (BGH) has ruled that if an infringing content of a via hyperlink linked website is not clearly visible, the one who sets the link is liable for such content in principle only if he becomes aware of the unlawfulness of such content itself or by a third party. A liability for the contents of a website accessible via a link is not established solely by the fact that the setting of the link is a commercial practice of the entrepreneur.

The Defendant of the case was a doctor who advertised a certain treatment method on his website. At the end of the text of the website a hyperlink to the homepage of a research association for the advertised treatment method was located.

On the subpages of the linked homepage statements of the research association with respect to the treatment method in question could be found that were regarded misleading and therefore anticompetitive by the Plaintiff, an association for social competition. The association sent a cease and desist letter to the Defendant who then removed the link from its website but did not sign a cease and desist declaration. The Plaintiff then enforced its claims against the Defendant in court.

After the District Court having affirmed a liability of the Defendant, the Court of Appeal dismissed the action.

The German Supreme Court as highest instance now denied a liability of the Defendant.

Although the German Supreme Court affirmed the setting of a hyperlink to be a commercial practice, it regarded the Defendant not being liable for anticompetitive contents being retrievable via the sub pages of the linked homepage only.

As long as the person that links a website would not embrace the linked content in a way that the public attributes this content to him, like the Defendant in the case in question setting a link to the home page but not the subpages, a liability may only arise in case of an infringement of a competitive traffic duty.

The German Supreme Court held that, with respect to hyperlinks, the competitive traffic duty concretizes in a duty to examine. With this respect the German Supreme Court decided that, as far as an infringing content of a linked website is not clearly recognizable, the person who set the link is in principle only liable if he becomes aware of an unlawful content by himself or by a third party. But, from the time of knowledge he must fulfil its duty to examine whether the linked web pages contain any unlawful content.

In the case in question the Defendant removed the link after he became aware of possible infringing contents of the linked website and therefore the German Supreme Court decided that he is not liable for the linked contents as he fulfilled its competitive traffic duty.

In its decision the Court distinguished three possible situations for a liability of website operators.

First, a website operator is liable for information on a third party website that is accessible by a hyperlink if the website operator adopts the third party content as his own content. The question under which circumstances the content is adopted as own content has to be answered from the perspective of the reasonable, average consumer. It may have to be confirmed

- if the setting of links is the business model of the operator’s website,
- if the website operator has promoted, openly or covered, the third party’s content,
- if the link had been made to complete the website operator’s own offer, or
- if the link is included in editorial comments in a way that it is required to understand the comments.

This may apply in particular if the link is directly leading to a subpage with objectionable content (“deeplink”). In contrast, a mere hyperlink to a non-objectionable homepage of the third party’s website from which the objectionable content can be accessed only via further “clicks” does not make the linking website operator liable for the objectionable content. In such a case, the link can be compared to a mere reference to further relevant literature at the end of an article.

Second, a website operator can be liable for an infringement of IP rights or for non-compliance with the rules of fair competition on a hyperlinked third party website if he has breached a duty to review the hyperlinked content. Setting a link can lead to such a duty as it increases the likelihood of a distribution of the objectionable content. Whether it actually does, is a matter of fair balance and a question which duty appears to be reasonable - with a view to

- the context in which the link has been set,
- the awareness of the website operator of facts that suggest the objectionable nature of the linked content, and
- his options to become aware of it.

A liability is therefore in particular given if the linked content is *obviously* objectionable.

Third, a website operator can be liable for the linked content of the third party website even when complying with the basic requirements with respect to a review of linked content, if particular circumstances gave reason to review the linked content in more detail. Such a circumstance is, for example, a cease and desist letter or a lawsuit related to the content concerned by which the website operator is pointed to the objectionable content. Then, the content has to be reviewed even if it is *not obviously* objectionable. Even then, the demands on the review must not be made too high if the link merely facilitates the access to information that is public, anyway, as the use of hyperlinks is indispensable for the operation of the Internet.

In practice, the decision leads to a kind of notice and take down procedure with respect to hyperlinks which is consistent and practical oriented.

Shall a liability be avoided, a hyperlink should in case of doubt be removed as soon as one becomes aware of a possible infringing content on the linked website.

If you have any questions or if you require more detailed information, please do not hesitate to contact us.

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German Judicial Academy: Lecture to judges on counsel's perspectives.



From 15 to 19 February 2016, the German Judicial Academy held a seminar for trademark judges on “Current Developments in German and European Trademark Law”. As part of the program, Dr. Martin Viefhues gave a lecture to the judges on the trademark counsel's perspective of trademark matters.

Inhouse counsel: Workshop on data protection in marketing and sales.

Dr. Markus Robak regularly lectures on current legal topics in data protection law in workshops for inhouse counsels. Recently he trained inhouse lawyers, data protection officers and marketing experts of a German insurance company in a one-day seminar on data protection in marketing and sales.