

Germany

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1. Legal framework

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, last amended June 2006.

International

The following laws and conventions apply:

- the World Trade Organization 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 to 21, October 10 1974; Articles 22 to 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
- the 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 Law is an implementation of this directive. Therefore, the highest source of jurisdiction is the European Court of Justice.

2. Unregistered marks

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 and/or a straw poll 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 Law 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 and/or a straw poll is necessary to provide evidence of the extent of use and acquired distinctiveness.

3. Registered marks

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 comprised exclusively of indications describing the goods or services;
- signs comprised 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 mark covering Germany with an earlier application date, taking account of any claimed priorities; or a well-known mark under Article 6bis of the Paris Convention.

4. Procedures

Examination

The examination procedure is based on formalities and distinctiveness. Conflicts with prior rights are examined only if a third party files an opposition. The German Patent and Trademark Office (GPTO) does not carry out novelty searches, nor does it inform owners of earlier trademarks. If a proposed mark is rejected, the applicant may appeal to, in order:

- the senior examiner of the GPTO;
- the Federal Patent Court; and
- the Federal Supreme Court on grounds of law.

An appeal to the senior examiner of the GPTO is possible only if the rejection was not issued by a senior examiner; in such cases, the appeal must be filed in the Federal Patent Court.

Opposition

Oppositions must be filed with the GPTO. The opponent may file a formal opposition first and add additional grounds or substantiate the opposition at a later stage. The GPTO will give the applicant the opportunity to submit its counterarguments in support of the application before deciding on the matter. The parties have a right of appeal to the senior examiner of the GPTO (depending on the circumstances), the Federal Patent Court and, ultimately, the Federal Supreme Court on grounds of law.

Registration

After formal examination the mark is 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. Germany uses the 'registration first, opposition later' procedure, in contrast to the Community trademark.

Removal from register

A registered mark may be cancelled only upon request. A third party may file a request for cancellation with the GPTO based on the following grounds:

- Absolute grounds for refusal existed at the time of the trademark application;
- The application was filed in bad faith;
- The mark was not in fact registrable;
- Use of the mark has become misleading or the mark has become descriptive or generic; or
- The mark is not in use.

The owner of prior trademark rights is not entitled to enforce those rights against a third party if it has tolerated the third party's use of the mark for a period of five consecutive years.

A mark can be cancelled upon request 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, whichever is later. Use of the mark in a form that

is not identical to the registered form of the mark, but which does not modify the mark's distinctive character, is considered valid.

The GPTO can cancel a mark if requested to do so within two years of the date of registration based on the following grounds:

- 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 marking.

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 registered trademarks constitute grounds for an administrative opposition before the GPTO. Therefore, an administrative opposition may not be based on:

- an earlier company name or domain name;
- trademark rights solely based 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, depending on which is possible in the circumstances. 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. 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;

- information on the scope of use of the infringing mark; and/or
- destruction of the illegally branded goods or product information, in case 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;
- 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 the 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 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 an action for opposition or cancellation 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).

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

6. Ownership changes – legalization requirements

Ownership change requirements are rather low. When notifying the GPTO of a change of ownership of a trademark application or registration, the relevant documents filed need not be legalized unless the GPTO specifically requires it (which usually occurs only in case of doubt).

7. Areas of overlap with related rights

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. In case of a used 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).

8. Online issues

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 use of commercial signs as metatags in such circumstances may also constitute infringement.

In Germany, it is not possible to order the other party to hand over the domain; it can be ordered only to renounce the domain name at DENIC, the national domain name registry. However, it is possible to reserve a domain name with DENIC, so that once the court has ordered that a domain name be renounced, DENIC will register the domain name for the reserving party (usually the rightful domain name owner).

