

Germany

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1. Legal framework

National and EU legislation

The German Trademark Act, which implements the EU First Trademarks Directive (89/104/EEC), came into force on January 1 1995. The interpretation of the harmonised aspects of law is monitored by the European Court of Justice (ECJ), if asked to do so by a member state's national court. The German Trademark Act governs the requirements for protection of German trademarks and other protected designations (eg, company names, geographical indications), together with the scope of protection and legal remedies against infringement. The German Trademark Regulation governs administrative proceedings. In addition, the Community Trademark Regulation (207/2009) applies.

International treaties

Germany is bound by, among other things, the following international treaties governing trademarks:

- the Madrid Agreement Concerning the International Registration of Marks;
- the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks;
- the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks;
- the Trademark Law Treaty;
- the Paris Convention for the Protection of Industrial Property; and
- the Agreement on Trade-Related Aspects of Intellectual Property Rights.

2. Unregistered marks

Trademark protection is granted, irrespective of registration, to a sign that has been used in the course of commerce and has gained a certain degree of recognition among the relevant sector of the public in Germany. The threshold for the scope of use that is necessary 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 about 20%;

- If a sign is devoid of inherent distinctiveness and/or is descriptive, the threshold rises up to about 50% (the same as for registered trademarks); and
- If a mark has not been used in Germany, it may still be protected as a well-known (notorious) mark pursuant to Article 6*bis* of the Paris Convention. The threshold is high: as a general rule, the level of notoriety attained should be between 60% and 70%.

3. Registered marks

Ownership requirements

Both domestic and foreign natural and legal persons, as well as partnerships (to the extent that they have the capacity to acquire rights and incur liabilities), can be owners of registered trademarks.

Formal requirements

No power of attorney is required for the filing of a trademark, unless demanded by the registrar. Nevertheless, to be on the safe side and in order to avoid any delay in the proceedings, it is advisable to file a power of attorney either at the time of filing or subsequently. No notarisation or legalisation is required.

Requirements for protection

A sign must be capable of being represented graphically in order to qualify for protection as a mark. It will not be registered if it exclusively consists of a shape that results from the nature of the item itself or that is necessary in order to obtain a certain technical result, or that gives substantial value to the goods. This ground for refusal cannot be overcome by proof of distinctiveness/recognition of the mark obtained through extensive use.

The mark must be capable of distinguishing the goods or services of one undertaking from those of other undertakings. The Trademark Act lists words (including personal names), designs, letters, numerals, sounds and three-dimensional designs (including the shape of goods or their packaging), as well as other get-ups such as

colours and combinations of colours.

The sign will be refused protection if it is devoid of any distinctive character with respect to the corresponding goods or services, or if it exclusively serves to designate the kind, quality, quantity, intended purpose, value, geographical origin, or the time of production of goods or of the rendering of services, or to designate other characteristics of goods or services. In practice, these are the most frequent grounds for objection by the German Patent and Trademark Office (GPTO). Further absolute grounds for refusal arise when marks have become customary in everyday language or established trade practice. All of these grounds for refusal can be overcome if the applicant is able to prove that its mark has acquired distinctiveness through extensive use. The level of recognition should be at least 50%.

Marks will also be rejected if:

- they mislead the public;
- they violate public policy or generally accepted principles of morality;
- they contain certain national emblems, quality marks or flags; or
- their use can be prohibited by legal provisions protecting the public interest.

In addition, bad-faith applications will be refused.

prevent registration of conflicting marks. Implementing a trademark watch for all relevant signs – just like conducting a search prior to a filing – is therefore an indispensable tool to defend a proprietor's marks efficiently. Similarly, applicants should conduct a search on prior conflicting rights – at least before using their own mark – because trademark registration does not afford a registered proprietor the right to use its trademark over prior conflicting rights.

Opposition

Opposition can be raised only after registration of a trademark, within three months of the publication date. Oppositions can be based on: earlier filed or registered national trademarks, Community trademarks, international registrations, notorious trademarks, unregistered marks or company names. Opposition against unauthorised filed trademarks can be filed against an agent or representative of the owner of the prior right.

The opposition procedure is a summary procedure. The GPTO will not consider complex defences (eg, other prior rights of the applicant predating the opponent's opposition mark). This may force the applicant to file a court action against an opponent where the applicant is allowed to raise such defences.

Registration

A registered mark affords protection for a period of 10 years from the date on which the application is filed. The mark may be renewed for periods of 10 years at a time, upon payment of the appropriate renewal fee. In infringement proceedings the court is bound to consider that a registered trademark exists. In the event of an infringement, however, the court may independently assess whether the conflicting sign has been used as a trademark or in an infringing manner. In the case of shape marks and three-dimensional marks in particular, this can mean that even though a third party has used a conflicting sign for identical or similar products, such use may not amount to trademark infringement where the public regards the junior sign simply as graphic ornamentation rather than as a trademark.

4. Procedures

Examination procedure

Provided that the examiner does not raise objections to registration, an application proceeds to registration fairly quickly (taking, on average, between six months and one year). The procedure can be further accelerated (to bring the process down to one to three months) upon payment of an additional reasonable fee. The GPTO examines whether there exist any absolute grounds for refusal.

However, the GPTO will neither examine whether relative grounds for refusal (ie, prior registrations by third parties) exist nor notify the owners of such prior registrations of any potentially conflicting applications. It is therefore up to trademark owners to monitor new applications and to file oppositions to

Removal from register

A trademark can be cancelled due to non-use if, within a continuous period of five years, it has not been put to genuine use. The date of registration or, if an opposition has been filed, the date of finalisation of the opposition decision triggers the five-year period. (Some scholars dispute whether the latter provision is in line with the First Trademarks Directive.)

An application for revocation based on non-use can be filed by any person (thus proving that a legal interest is not necessary). If the trademark owner objects to the cancellation, the applicant is required to file a cancellation action with the civil courts if it wants to proceed.

Upon an application made by any third party to the GPTO or in some *ex officio* cases, a registration can be considered null and void if:

- there were absolute grounds for refusal (eg, lack of distinctiveness);
- the mark was not protectable *per se*; or
- the ownership requirements were not met.

All of these reasons must exist both at the time of registration of the mark and at the time of the cancellation decision; the latter is not necessary in the case of bad-faith applications.

A trademark can be revoked upon an application made by any third party to the GPTO if absolute grounds for refusal should arise after registration – that is:

- where the mark has become a common name because of the trademark owner's behaviour;
- where the mark may mislead the public due to the manner of use of the mark; or
- where the ownership requirements have lapsed.

Upon an application made by the owner of a senior right, the registration of a trademark can be deleted based on relative grounds for refusal if it conflicts with earlier rights such as trademarks and company names. While these earlier rights are all bases for opposition proceedings, account may also be taken here of further rights, such as personality rights, name rights and copyrights, among others. A claim based on such relative grounds for refusal must be filed with the civil courts. The

action will be dismissed if the claimant has acquiesced to the use of the challenged mark for five consecutive years. According to academic opinion, acquiescence does not necessarily require definite knowledge of use and may even encompass negligent ignorance of use. It is a matter of debate whether the period of acquiescence might be shorter in exceptional cases.

A trademark owner is free to surrender its registration or withdraw its application at any time.

5. Enforcement

Civil courts

The courts having jurisdiction over proceedings for infringement of trademarks, irrespective of litigation value, are the *Landgerichte* (district courts). Within the individual federal provinces (*Länder*) certain district courts have been designated as courts with competency over trademark actions. The court with territorial jurisdiction is primarily the court in the territory of which the infringer has its place of establishment or the court in the territory of which the act of infringement is committed. Where an infringement occurs nationwide (eg, via the Internet), the trademark proprietor can choose the court in which it wishes to institute legal proceedings for an infringement. A district court decision may be challenged on appeal to the *Oberlandesgericht* (Provincial Court of Appeal). Provincial Court of Appeal decisions are open to further appeal to the *Bundesgerichtshof* (Federal Supreme Court) on points of law, but only in certain circumstances if either the relevant provincial court or the Federal Supreme Court gives leave to appeal.

The earlier rights on the basis of which a claimant can proceed encompass registered and unregistered trademarks, company names, rights to names, personality rights, copyright, geographical indications and other industrial property rights. The circumstances in which trademarks can be challenged are set out below.

Cease and desist actions

A claimant may ask the court to stop the infringement. For this purpose, it is necessary

to show that a trademark infringement has either already occurred or is feared – for instance, because of the preparatory action taken.

Damages and other reliefs

A claimant can also ask for damages for loss sustained as a result of the trademark infringement. As a claimant will not generally know how extensive that loss might prove to be, it may also require the defendant to disclose the extent to which it has used the conflicting sign and details of the customers to whom it has supplied the infringing goods or the channels through which it has obtained them. In some circumstances the claimant can require the defendant to produce appropriate documents and proof of the infringement in this connection. The trademark proprietor may also demand that the infringing goods be seized and destroyed, provided that this is proportionate. The claimant may also require the defendant to recall the infringing goods and, in certain circumstances, to give public notice, at the defendant's expense, of any judgment pronounced in the claimant's favour.

A claim in damages presupposes that the defendant has committed the trademark infringement intentionally or negligently. This will be so in most cases, as the defendant would normally have been able to avoid the trademark infringement by conducting a proper trademark search. There are three methods of calculating the amount of damages. First, the claimant can demand reimbursement for the profit lost as a result of the trademark infringement. Second, it may require payment of the profits that the infringer made from the infringement. In both of these cases it will be difficult for the claimant to prove causation between the infringement and the loss of profit/infringer's profits. In practice, therefore, a claimant will often choose the third method of calculating damages – namely, computation based on a so-called analogous licence fee. This is a notional calculation of the licence fee that, in the light of experience, the parties would have agreed on if they had concluded a licence. The criteria here include the degree of awareness of the trademark and special trade circumstances. Whether or not the parties would in fact have

been prepared to enter into a licence agreement is irrelevant.

The claimant also has a claim against the defendant for unjustified enrichment. This claim is a no-fault action of relevance where a claim in damages fails for lack of culpability on the defendant's part. Enrichment is normally calculated on the basis of an analogous licence fee (see above).

Injunctive relief

A trademark proprietor may apply for an interlocutory injunction if it wishes the trademark infringement to be brought to a halt as soon as possible. It can ask for the infringement to be brought to an end and, in certain circumstances, especially where the infringement is evident, it may require disclosure of information (see above). An applicant may sometimes also require the infringing goods to be seized by a court bailiff so as to safeguard its right to have them destroyed.

Injunctive relief will be granted only if the matter is urgent. The applicant must ensure that once it becomes aware of the infringement, it does not wait too long before applying for injunctive relief. If it should do nothing for too long, an application for injunctive relief might fail for that reason alone. Case law is not unanimous on this point. To be on the safe side, therefore, after becoming aware of an infringement an applicant should not wait more than one month before applying for injunctive relief.

Injunctive relief will generally be granted by way of a court order without an oral hearing. The opponent may appeal against the injunction and ask for an oral hearing. The opponent may also require the trademark proprietor to issue proceedings in the main action. This can be in the interest of the opponent as wider defences will be available to it in the main proceedings than under the injunction procedure. Before serving an injunction on its opponent the applicant must bear in mind that if the interlocutory injunction should later be set aside, it would be obliged to reimburse its opponent the loss that the opponent has incurred as a result of that interlocutory injunction.

Timing

Interlocutory injunctions can be pronounced very quickly, within one or two working days. Where an opponent lodges an appeal against an interlocutory injunction, a decision will be issued by the court of first instance within approximately two months. Further appeal proceedings will take approximately six months.

The main proceedings will take approximately one to two years, depending on the individual case and the amount of evidence presented by the parties. Appeal proceedings in the Provincial Court of Appeal and appeals on a point of law before the Federal Supreme Court will also take one to two years, depending on the individual circumstances of the case and the backlog of the court.

Formal warning

Before a trademark proprietor takes judicial action against an infringer, it must consider whether to give its opponent prior warning. If it should fail to do so and the opponent then immediately acknowledges the trademark proprietor's claim in the proceedings, the trademark proprietor will have to bear the costs of the proceedings even if it wins the case on its merits. It may nevertheless be in the trademark proprietor's interest to accept the risk of such costs being awarded and to refrain from giving prior warning because if the warning should prove culpably unjustified, the trademark proprietor may have to make good its opponent's losses sustained as a result of the warning.

Border seizure

A trademark proprietor may ask the customs authorities to seize trademark infringing goods so as to prevent their import or export. The customs authorities notify the opponent, which then has two weeks from service of that notice to object to such seizure. If the trademark proprietor maintains its application for seizure after the opponent has lodged an objection, it must obtain a court decision ordering the goods seized to be held in safekeeping (generally in the form of an interlocutory injunction). If the seizure action should later prove to have been unjustified,

the trademark proprietor will be obliged to reimburse the opponent for the loss incurred due to seizure.

Criminal law sanctions

A trademark infringement offence is punishable by a term of imprisonment of up to three years or a fine. A maximum term of imprisonment of five years may be imposed in the event of commercial action. Attempted infringements are also a criminal offence. Property relating to the offence can be confiscated. In order to achieve a criminal conviction it is necessary for the infringer to have acted with intent.

6. Ownership changes and rights transfers

Assignment

Trademark applications or registrations can be transferred to third parties without formalities, whether for part or all of the goods or services. Neither a written agreement nor recordal is mandatory, but evidence of the assignment and new ownership are advisable. Recordal triggers the legal assumption (which can be rebutted by a third party) that the new registered owner is the rightful owner. An assignment will be registered if the applicant evidences the transfer – for instance, by a declaration signed by both parties. No legalisation is required.

Licence

The right created by the registration or use of a trademark can be the subject of exclusive or non-exclusive licences for the whole or part of the territory of the Federal Republic of Germany in respect of all or some of the goods or services for which the trademark enjoys protection. No statutory provision is made for registration of licences in the trademarks register. A licensee may not instigate judicial proceedings for infringement of a licensed mark without the consent of the licensor/trademark proprietor. In some circumstances a licensee may have a severance claim on its licensor when the licence comes to an end. In the context of licensed trademark usage that preserves rights, the licensee's acts of use are attributable to the licensor/

trademark proprietor. The licensor should ensure in the licence that the licensee adheres to precisely defined quality standards. Otherwise, the possibility of use of the licensed mark being misleading cannot be ruled out.

7. Related rights

In certain cases a trademark proprietor may rely on other rights in addition to its trademark rights.

Unfair competition

Any marketing of a product shall be regarded as misleading under the Law Against Unfair Competition if it creates confusion with any products, trademarks, trade names or other distinguishing marks of a competitor. Claims could be raised not only by the trademark proprietor, but also, in principle, by consumer protection associations. However, it is not yet decided in what circumstances claims under competition law (eg, actions for deception, exploiting the reputation of another or passing off), particularly in light of Article 6(2)(a) of the Unfair Commercial Practices Directive (2005/29/EC), can be raised instead of, or in addition to, trademark claims. For example, a trademark infringement may equally constitute a misleading commercial practice under competition law.

Design rights and copyright

Certain types of trademark – for instance, particular graphic designs, shape marks, three-dimensional marks and colour marks – can also be protected as designs. These might be registered or unregistered Community designs or registered national designs. The scope of protection here, compared to trademarks, can be expanded in that there is no need for use as a trademark in order for an infringement to have taken place. It might be sensible in a particular case to arrange for the sign to be protected both as a trademark and as a design.

Particular graphic features of trademarks – in the same way as designs – can also be protected by copyright. However, the requirements here are high. The graphics must be the author's personal intellectual creations, which presupposes a certain degree of

originality. In the applied art field – that is, with industrially produced designs in particular – the prerequisites for protection and requirements as to the level of personal intellectual creation are particularly stringent and must be well above the norm.

8. Online issues

Domain names

There is no centrally organised non-judicial arbitration service for domain name disputes in relation to '.de' domains. A trademark proprietor may nevertheless file a dispute entry with the German Network Information Centre (DENIC), which gives protection for a limited period of time against a domain name being transferred to a third party. A right to have a domain name removed exists only in exceptional instances – that is, if any form of use of the domain name represents an infringement. This might be the case with well-known trademarks or where a challenge is based on rights to a name. There is, in principle, no right to have a domain name transferred to a trademark proprietor.

Metatags

The use of another party's trademark as a metatag does, in principle, constitute a trademark infringement.

AdWords

It is possible to determine whether the use of another party's earlier distinguishing sign constitutes an infringement in the context of Google's AdWords only on an individual basis. According to the ECJ judgments on AdWords (in the *Google France* case, in particular), it depends upon whether a third party's advertisement suggests that there is an economic link with the proprietor of the trademark or whether this remains unclear. If so, there will in principle be a trademark infringement. The Federal Supreme Court has held in one of its decisions that the descriptive use of an earlier distinguishing sign in an AdWord advertisement does not, in principle, constitute an infringement. In its *Beta-Layout* decision, the court also ruled that an earlier right to use a company name was not

infringed by an AdWord advertisement as the advertisement was considered to be neutral. Another case (*Bananabay*), in which an AdWord advertisement is being challenged by an earlier mark, has yet to be decided. In that case the court will have to apply the ECJ rulings on AdWord advertisements. It has still not been clearly established whether, and in what circumstances, an advertiser must indicate in the wording of its advertisement that there is no economic link with the proprietor of the trademark.

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Unregistered rights Protection for unregistered rights?	
Specific/increased protection for well-known marks?	
Examination/registration Representative requires a power of attorney when filing? Legalised/notarised?	Unless required by the German Patent and Trademark Office
Examination for relative grounds for refusal based on earlier rights?	
Registrable unconventional marks	3-D, colours, shape of packaging and goods, smells (if graphically representable), sounds
Opposition Opposition procedure available? Term from publication?	3 months
Removal from register Can a registration be removed for non-use? Term and start date?	5 years' continuous non-use from registration or end of opposition proceedings
Are proceedings available to remove a mark that has become generic?	
Are proceedings available to remove a mark that was incorrectly registered?	
Enforcement Specialist IP/trademark court?	
Punitive damages available?	
Interim injunctions available? Time limit?	1 month from infringement becoming known (longer deadline possible, depending on the court and facts of the case)
Ownership changes Is registration mandatory for assignment/licensing documents?	/
Online issues National anti-cybersquatting provisions?	No specific provisions, but general provisions may apply
National alternative dispute resolution policy for local ccTLD available?	