
NEWSLETTER

IP NEWS FROM GERMANY AND EUROPE

AUGUST 2008

I. NEWS ABOUT US

1. New Support



Dr. Alexander Racz

We are pleased to announce new support for our team. **Dr. Alexander Racz**, born in 1977, joined Kador & Partner as a patent attorney trainee in June 2008.

Dr. Racz studied chemistry, focussing on physical chemistry, at the University of Vienna. He passed with distinction in 2004. His diploma thesis „Electrochemical Oxidation of Substituted Pyridinium Compounds“ was in the field of electrochemistry and received an award from the Austrian Chemical Society (GÖCH).

In his dissertation at the Department of Physics of the Technical University of Munich he worked on the synthesis and characterisation of platinum and ruthenium selenide catalysts for the cathodic reduction of oxygen in fuel cells.

2. Kador & Partner INTA Reception in Berlin “Just a Glass of Champagne”

At this year’s International Trade Mark Association’s (INTA) Annual Meeting in Berlin, **Dr. Utz Kador, Dr. Bernhard Pillep, Ms. Corinna Probst, Ms. Susanna Heurung, Ms. Barbara Regensburger, Dr. Elisabeth Vorbuchner, Dr. Claus Schindele and Dr. Antje Stanjek**, all from Kador & Partner, enjoyed meeting IP practitioners from all over the world and exchanging thoughts with them on intellectual property matters.

Also at this year’s INTA Annual Meeting, Kador & Partner had the pleasure to host a reception

themed “Just a Glass of Champagne” in the elegant atmosphere of Hotel Adlon, where clients and colleagues were invited to a glass of champagne and pleasant conversation.

We very much enjoyed the occasion and would like to thank all clients and colleagues who helped to make this evening a successful event!



Dr. Stanjek, Dr. Schindele, Ms. Regensburger, Dr. Kador, Ms. Probst, and Dr. Pillep after having “A Glass of Champagne” at INTA in Berlin

3. Article on European Oppositions

We were asked by the editors of the journal “Managing Intellectual Property” (MIP) to contribute to the Germany & EPO IP Focus 2008 of the April issue with an article on the opposition procedure under the European Patent Convention.

The article with the title:

“Tactics for European Oppositions: A successful system”

covers the course of a European opposition procedure from the filing of the opposition brief to the oral proceedings before the Board of Appeal.

If you are interested in obtaining a copy of the article, we will be pleased to send you a reprint. The article can also be downloaded from the web-site of MIP:

<http://www.managingip.com/Article.aspx?ArticleID=1902703>.

4. INTA Roundtable

On June 11 this year, Kador & Partner hosted a further INTA Roundtable on our premises in Munich. We had the pleasure of welcoming **Mr. Wubbo de Boer**, President of the Office for Harmonisation in the Internal Market (OHIM), which is the office in charge of the Community Trade Marks and the Community Designs.

Mr. de Boer spoke on past achievements and future projects of OHIM. He also gave an interesting view of the internal structures of such a big agency and the huge efforts undertaken by OHIM to ensure high working quality and user friendliness.

Last but not least, the numerous participants were inspired by the direct and unpretentious style of Mr. de Boers lecture, for which we want to thank him very much once again!



Mr. Wubbo de Boer while giving his lecture on past achievements and future projects of OHIM

II. EUROPEAN PATENT LAW

1. Entry into Force of the London Agreement on May 1, 2008

Under the so-called London Agreement, which entered into force on May 1, 2008, a number of contracting states to the European Patent Convention (EPC) largely or entirely waived the requirements for a translation of granted European patents into their national languages. To date, the following 13 contracting states to the EPC have deposited their instruments of either ratification or accession:

Croatia, Denmark, France, Germany, Iceland, Latvia, Liechtenstein, Luxembourg, Monaco, the Netherlands, Slovenia, Switzerland and the United Kingdom.

Sweden also has implemented the London Agreement as of May 1, 2008.

Under the London Agreement, there is a distinction between contracting states having an official language in common with one of the official languages of the European Patent Office (EPO) – English, French and German – and states which do not have an official language in common with the EPO.

For states of the first category, the London Agreement prescribes that they shall dispense entirely with the translation requirements. This provision applies to the following states:

France, Germany, Liechtenstein, Luxembourg, Monaco, Switzerland, and the United Kingdom.

The states of the second category, i.e. the states which do not have an official language in common with one of the official languages of the EPO, may require that the claims be translated into one of their official languages. This applies to the following states:

Croatia, Denmark, Iceland, Latvia, the Netherlands, Slovenia and Sweden.

In addition, states having no official language in common with one of the official languages of the EPO may require that the description of

the patent be supplied in an official language of the EPO prescribed by the state. The following states have prescribed English:

Croatia, Denmark, Iceland and the Netherlands.

Latvia and Slovenia have not prescribed any language so that no translation of the description needs to be supplied.

The London Agreement has the following effects in Germany.

A translation of the patent description into German is no longer necessary for European patents for which the date on which the mention of the grant of the patent is published in the European Patent Bulletin is May 1, 2008, or later. This means that a European patent for which the mention of grant is published on May 1, 2008, or later will automatically be valid for Germany as of the date of its grant.

However, the requirements regarding the representation of applicants and patent proprietors in Germany as laid down in section 25 of the German Patent Act (Patentgesetz) are not affected by the London Agreement.

Thus, an applicant/patent proprietor without a seat in Germany will still have to appoint a professional representative in Germany in order to take part in proceedings before the German Patent and Trademark Office and the Federal Patent Court or to enforce its rights based on the patent.

Our comment: The final entry into force of the London Agreement, which was already signed by the 13 contracting states in the years 2000/2001, is certainly a big step forward towards simplification and cost reduction in the European Patent System. In spite of the fact that a European patent will now automatically be valid for Germany as of the date of its grant, we highly recommend appointing a professional representative for the patent in Germany for the following exemplary reasons:

In case no address for services or a professional representative in Germany is recorded, the German Patent and Trade Mark Office (GPTO) will send official communications to the patent proprietor abroad. However, only a normal letter is sent and

no verification is made by the GPTO that the letter has been received, hence, no certified mail or the like is sent. In contrast, within Germany, i.e. to the professional representative, certified mail is sent by the GPTO.

Hence, communications from the GPTO may not reach the recipient abroad with the possible consequence that the patent may lapse due to an unintentional non-payment of annuity fees. Furthermore, a professional representative not only ensures that the official communications are received but also ensures that the matter is adequately handled and that all relevant due dates are met.

Furthermore, as mentioned above, the obligation for foreign applicants and patent proprietors to appoint a professional representative in Germany in order to be able to take part in any proceedings before the GPTO, the Federal Patent Court or a regular court (as laid down in section 25 of the German Patent Act (Patentgesetz) still remains valid. This means that e.g. in case of an invalidation action a professional representative will definitely have to be appointed.

2. Extensive Claim Fees at the EPO

The European Patent Office (EPO) has considerably increased the official fees falling due for applications with more than 15 claims as of April 1, 2008, by implementing the Decision of the Administrative Council dated March 6, 2008 (see Official Journal EPO, 3/2008, pages 124/125). Thus, for the 16th and each subsequent claim, an official fee of EUR 200.00 now has to be paid. This applies both to direct filings at the EPO and to PCT filings entering the European Regional Phase.

Our comment: To avoid excessive claim fees we would highly recommend reducing the number of claims for applications to no more than 15, if at all possible. A reduction of the claims can also be made on our side if so desired, we would then kindly ask our clients to provide us with the application in good time before the due date for filing.

¹ Decision of June 28, 2007, published in the Official Journal of the EPO, OJ 5/2008, pages 271 to 308

In any case, so as not to lose any disclosure, the original claims should be attached to the application to be filed in the form of "clauses". Thus, the applicant may come back to the contents of them at any time during prosecution.

3. Decisions G1/05 and G1/06 of the Enlarged Board of Appeal on Divisional Applications¹

In decisions G1/05 and G1/06 the Enlarged Board of Appeal (EBA) of the European Patent Office (EPO) has clarified the situation as regards the admissibility of amendments of divisional applications after filing, and as regards the disclosure in divisional applications which are part of a sequence of divisional applications.

The points of law which had been referred to the EBA by the Technical Boards of Appeal 3.4.02 and 3.4.03 (see our NewsLetter of April 2007) were, on the one hand, whether a divisional application which contains added subject matter on the date of filing (and hence does not comply with the requirements of Article 76 (1) EPC) can later be amended to remove the added matter. On the other hand, the question was posed whether in a sequence of applications, consisting of an original application followed by several divisional applications which are each divided from its predecessor, anything contained in one of the divisional applications must be directly and unambiguously derivable from what is disclosed in each of the preceding applications as filed (G1/06).

The EBA condensed its findings into the following head notes:

Head note of G1/05:

"So far as Article 76(1) EPC is concerned, a divisional application which at its actual date of filing contains subject-matter extending beyond the content of the earlier application as filed can be amended later in order that its subject matter no longer so extends, even at a time when the earlier application is no longer pending. Furthermore, the same limitations apply to these amendments as to amendments to any other (non-divisional) applications."

Head note of G1/06:

"In the case of a sequence of applications consisting of a root (originating) application followed by divisional applications, each divided from its predecessor, it is a necessary and sufficient condition for a divisional application of that sequence to comply with Article 76(1), second sentence, EPC that anything disclosed in that divisional application be directly and unambiguously derivable from what is disclosed in each of the preceding applications as filed."

In the reasons for the decision concerning the first question (amendments of a divisional application), the EBA first expressed its view that a divisional application containing added subject-matter cannot be simply deemed invalid, because, as with non-divisional applications, non-compliance with a substantive requirement for grant does not entail the invalidity of an application but only its refusal under Article 97 (1) EPC if the deficiency is incurable or is not removed by amendment.

The EBA further considered that the provisions of Articles 76(1) and 76(3) EPC when read together lead to the conclusion that divisional applications are to be treated in the same manner as ordinary applications, and hence the removal of added matter after filing is allowable.

The key consideration concerning the second question (sequence of divisional applications) for the EBA was that every divisional application enjoys the filing (or priority) date of the original application. This, however, is only justified if the subject-matter contained in a divisional application was disclosed in each of the preceding (earlier) applications as filed and if it was still present in each earlier predecessor application at the time the further divisional application was filed.

Thus, the EBA concluded that the subject matter in a divisional application must have been existing at all times throughout after its disclosure in the original application as filed until the date of filing of the divisional application under consideration.

Our comment: This decision of the EBA in our view results from a consistent and very systematic approach to the questions posed, and the conclusions

given can be fully agreed with. There is now legal certainty for applicants who have filed divisional applications which have been amended compared to the application (be it the original application or a previous divisional application) from which they were derived.

It is thus now clear that Article 76(1) EPC is not an obstacle which might lead to invalidation of, or prohibit an amendment to, a divisional application not filed in compliance with this article.

The answer to the second question, according to which, in a sequence of divisional applications, the content of any of those applications must be clearly and unambiguously present in any previous application of the sequence, makes it necessary for applicants to carefully check the content of a divisional application which is amended with regard to the application from which it is divided.

In particular, a thorough check has to be performed in the case of a divisional application derived from one or more previous divisional applications, as it must then be ensured that the subject matter in the divisional application to be filed is present in any previous application.

All in all, this decision confirms the standing practice for filing of divisional applications in our firm, which is to file the divisional application with the complete content of the previous application in unamended form, and to amend the application, e.g. to excise unnecessary passages, only after filing.

4. Decision T 1319/04 on Patentability of a Dosage Regimen²

In decision T 1319/04 the Technical Board of Appeal (TBA) of the European Patent Office (EPO) has referred the following questions to the Enlarged Board of Appeal (EBA) for interpretation of Articles 53(c) and 54(5) EPC 2000:

"1. Where it is already known to use a particular medicament to treat a particular illness, can this known medicament be patented under the provisions of Articles 53(c) and 54(5) EPC 2000 for use in a dif-

² Decision of April 22, 2008, "Dosage regimen/ KOS LIFE SCIENCES, INC.", to be published soon in the Official Journal of the EPO

ferent, new and inventive treatment by therapy of the same illness?

2. If the answer to question 1 is yes, is such patenting also possible where the only novel feature of the treatment is a new and inventive dosage regime?

3. Are any special considerations applicable when interpreting and applying Articles 53(c) and 54(5) EPC 2000?"

The appeal laid from the decision of an Examining Division (ED) to refuse an application directed to use of certain compound for the manufacture of a medicament for use in the treatment of hyperlipidaemia by oral administration once per day prior to sleep.

The ED found anticipating disclosure in the prior art directed to the use of nicotinic acid for the manufacture of a sustained release medicament for use in the treatment of hyperlipidaemia by oral administration. The ED further found that a specific drug regimen, i.e. once per day prior to sleep, reflected a medical activity excluded from patentability under Article 52(4) EPC 1973, which could not be seen as a further medical indication from which novelty can be derived.

The TBA first determined that, by virtue of Article 7 of the Act revising the European Patent Convention of 29 November 2000, the present case had to be considered under the provisions of Articles 53(c) and 54(4) and (5) EPC 2000, and no longer under Articles 52(4) and 54(5) EPC 1973 which applied when the ED reached its decision.

The TBA found that the decisive question is whether the feature in claim 1 – „once per day prior to sleep“ – can be recognized or not under Article 54(5) EPC 2000 as a specific use in a method referred to in Article 53(c), which use is not comprised in the state of the art. If the answer were yes, then inventive step and susceptibility of industrial application (Articles 56 and 57 EPC 2000) could also be recognized.

The TBA further considered that the legislator establishing the EPC 2000 intended to include the Case Law of the Enlarged Board of Appeal in the new Article 54(5). Thus, decision G 5/83 had to be followed closely where i.a. the patentability

of a new medical use of a known medicament for treating a known disease was considered.

Reasons 20 of decision G 5/83 explicitly mentions that

„Where the medicament itself is novel in the sense of having novel technical features - e.g. a new formulation, dosage or synergistic combination - the ordinary requirements of Article 54(1) to (4) EPC will be met...“

Thus, new dosage was considered to be one possibility of imparting novelty to a medicament. Whether the Enlarged Board of Appeal also had in mind the patentability of a substance for a use which differed from the prior art only by its dosage regime can only be a matter for speculation.

The TBA then carefully analysed the existing case law dealing with new medical uses in the above sense. Patentable new medical uses had been acknowledged where the use was directed e.g. to a different target group to be treated, a new therapy with a different technical effect or a new therapy with a different mode of administration.

In contrast, patentability of medical use claims had mostly been denied where the feature differing from the prior art was a mere dosage regimen. Only a recent decision, T 1020/03 (OJ EPO 2007, 204), affirmed patentability for a medical use claim with the distinguishing feature consisting in the dosage regimen.

In view of these contrasting decisions and in view of the fact that the case has to be assessed applying the new provisions of the EPC 2000, the TBA referred the above questions to the EBA.

Our comment: In its decision on the present case, the EBA will for the first time have the opportunity to comment on provisions of the new EPC 2000. The decision will certainly be very interesting for the pharmaceutical community because the patentability of medical use claims based (only) on a new dosage regimen had been decided upon very controversially by different Technical Boards of Appeal under the EPC 1973. Thus, the upcoming decision of the EBA will give substantial legal certainty to the applicants on this important point of law.

III. GERMAN PATENT LAW

1. Federal Supreme Court on Amendments in Invalidation Proceedings and on Inventive Step³

In recent decision, the German Federal Supreme Court (FSC) has touched on several interesting aspects relating to the defence of a patent in German invalidation proceedings.

The case concerned the German national part of European patent EP 0 656 203 relating to an “injectable micro foam containing a sclerosing agent”.

In the first instance of the invalidation proceedings, the German Federal Patent Court had revoked the patent in its entirety. In the second instance before the FSC, the patentee defended the patent based on an amended set of claims, in which claim 1 had the wording:

“1. An injectable micro foam for therapeutic uses, prepared or for preparation as required, obtainable by foaming of a sclerosing solution in an atmosphere of oxygen or a mixture of oxygen and carbon dioxide in a sterile, air tight container.”

The feature that “... the micro foam is obtainable by foaming of a sclerosing solution in an atmosphere of oxygen or a mixture of oxygen and carbon dioxide in a sterile, air tight container” had not been present in any of the (sub-)claims as granted, but a disclosure of this feature could be found in Example 1 of the application as originally filed.

The first interesting aspect of the decision is that the FSC confirmed that in invalidation proceedings, the patentee may amend the claims by incorporating not only features contained in the granted subclaims but also any feature present in the application as originally filed that has been disclosed as being part of the invention. The Court further made clear that disclosure in this sense means everything which could have been

³ Federal Supreme Court, decision of May 22, 2007, “Injizierbarer Mikroschaum”, file number X ZR 56/03 (BPatG)

deduced by the skilled person on first thought when reading the application and using his expert knowledge.

In this regard the Court emphasized that the skilled person would not adhere to the mere wording of the application, but would orientate himself by the purpose of the invention and by the proposed solution with all the elements, considering also the disadvantages of the prior art.

Applying these considerations to the present case, the Court came to the conclusions that the amendment of claim 1 with the feature taken from Example 1 was admissible, in spite of the fact that in this example the feature had been disclosed only in association with further features (e.g. that the sclerosing micro foam was produced by mechanical heating by means of a micro motor with a rotating brush).

In the assessment of inventive step, the Court first considered that the use of a sclerosing micro foam had already been known in the art since 1956. However, as an atmosphere for producing the micro foam only air had been described in express terms. The court furthermore heard the opinion of an independent technical expert according to whom it would have been obvious for the skilled person to select an atmosphere for foaming which is a physiologic gas, i.e. a gas which upon incorporation into the human body is not harmful. As examples of such gases and gas mixtures, the expert cited a carbon dioxide and/or oxygen atmosphere.

The Court therefore considered the selection of oxygen or a mixture of oxygen and carbon dioxide as the atmosphere to be an arbitrary selection from atmospheres which the skilled person would readily consider applying for the purpose of producing the micro foam. The Court then ruled that the patent lacks an inventive step and confirmed the decision of the previous instance to completely revoke the patent.

Our comment: The present decision is interesting in several regards. First, the Court confirmed the long standing practice that in invalidation proceedings a main claim may be amended by taking up features which are contained only in the description of a patent but not in the granted subclaims. This is important in so far as this, of course, provides

much better opportunities for the patentee to defend his patent in invalidation actions.

A second aspect of the decision is that the Court allowed the amendment of claim 1 by the incorporation of a feature from an example but without requiring that all features given in said example are taken up in the claim. Thus, this decision confirms the more generous attitude of the FSC regarding the issue of “added matter” versus the European Patent Office (EPO).

At the EPO this issue is handled very strictly and, hence, the incorporation of only one feature of a specific example into a claim will usually not be held allowable (see e.g. decision T 25/03).

A third aspect of the decision is the assessment of inventive step. Here, in contrast to the “added matter” issue, the Court demonstrated a stricter approach compared to the EPO approach, as in spite of the fact that the gas mixtures as contained in claim 1 had not been described in the prior art in express terms, the Court denied an inventive step based on the opinion of an independent expert. Again, a difference between the jurisprudence of the FSC and the EPO can be seen, because the assessment of inventive step at the EPO is handled more generously to the benefit of the patentee, and written state of the art is usually needed for showing lack of inventive step.

In practice, in view of the differences in the jurisprudence of the FSC and the EPO, two conclusions can be drawn. The first is that for very important applications one may consider applying for a German patent in addition to a European patent in order to have more options for amending the claims in possible opposition or invalidation proceedings.

Second, in cases where an important patent for a competitor has been granted at the EPO and survived the European opposition, it may be worth the effort, in cases where inventive step is an issue, to bring in an invalidation action in Germany and try to revoke the patent for Germany.

IV. EUROPEAN TRADE MARK LAW

1. European Court of Justice on Scope of Protection of Intensely Used Marks in “adidas/Marca Moda et al.”⁴

The European Court of Justice (ECJ) recently gave a very important ruling concerning the scope of protection of marks that have acquired distinctive character through use. In cases where trade marks initially have only low distinctiveness but acquire increased distinctiveness by intensive use, third parties often use similar signs and, as justification, rely on the initially low distinctiveness of the trade mark or the alleged merely decorative or otherwise descriptive use of the similar sign.

The decision of the ECJ concerned a referral for a preliminary ruling in cases between Adidas and Marca Mode, C&A, H&M and Vendex. Adidas is the proprietor of figurative trade marks composed of three vertical, parallel stripes of equal width, which are featured on the sides of sports and leisure garments in a colour which contrasts with the basic colour of those garments. Marca Mode, C&A, H&M and Vendex are competing undertakings operating in the textile trade that wanted to market sports and leisure garments featuring two parallel stripes, the colour of which contrasts with the basic colour of those garments.

A conflict between Adidas, Marca Mode, C&A, H&M and Vendex arose and legal actions were initiated where Adidas requested to prohibit use of two parallel stripes by other undertakings and Marca Mode, C&A, H&M and Vendex requested to establish that they are free to place two stripes on their sports and leisure garments for decorative purposes. Adidas claimed that use of two parallel stripes should be considered as infringing its three stripe trade mark. The other undertakings claimed that stripes had to remain available for the public.

⁴ European Court of Justice, judgement dated 10 April 2008, legal case C-102/07

The cases were finally brought before the Hoge Raad der Nederlanden (HRN), the Supreme Court of the Netherlands. The HRN then referred the following questions to the ECJ for a preliminary ruling:

“1. In the determination of the extent to which protection should be given to a trade mark formed by a sign which does not in itself have any distinctive character or by a designation which corresponds to the description in Art. 3(1)(c) of the Directive ... but which has become a trade mark through the process of becoming customary (“inburgering”) and has been registered, should account be taken of the general interest in ensuring that the availability of given signs is not unduly restricted for other traders offering the goods or services concerned (“Freihaltebedürfnis”)?”

2. If the answer to Question 1 is in the affirmative: does it make any difference whether the signs which are referred to therein and which are to be held available are seen by the relevant public as being signs used to distinguish goods or merely to embellish them?

3. If the answer to Question 1 is in the affirmative: does it, further, make any difference whether the sign contested by the holder of a trade mark is devoid of distinctive character, within the terms of Article 3(1)(b) of the Directive ... or contains a designation, within the terms of Art. 3(1)(c) of the Directive?”

The ECJ firstly confirmed the well-known principle that likelihood of confusion must be appreciated globally, taking into account all factors relevant to the circumstances of the case.

However, the ECJ then continued that a need for the sign to be available for other economic operators cannot be one of those relevant factors. The evaluation of likelihood of confusion must be based on the perception by the public of the goods covered by the mark of the proprietor on the one hand and the goods covered by the sign used by the third party on the other.

Signs which must remain available for all economic operators are likely to be used abusively with a view to creating confusion in the mind of the consumer. If the third party could rely on the requirement of availability to use a sign which

is nevertheless similar to the trade mark freely without the trade mark’s proprietor being able to oppose that use by pleading likelihood of confusion, effective protection of the relevant trade mark would be undermined.

The ECJ further pointed out that the public’s perception that a sign is a decoration cannot constitute a restriction on the protection of a trade mark when, despite the sign’s decorative nature, that sign is so similar to the registered trade mark that the relevant public is likely to perceive that the goods come from the same undertaking.

The more the mark is well known, the more competitors are likely to wish to use similar signs. However, a large number of similar signs used for identical goods on the market might adversely affect the trade mark in so far as it could reduce the distinctive character of the mark and jeopardise its essential function, which is to ensure that consumers know where the goods concerned come from.

Finally, the ECJ found that Article 6(1)(b) of the Trade Mark Directive establishes the principle that the proprietor of a trade mark cannot prohibit a third party from using, in the course of trade, indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of the service, or other characteristics of goods or services, provided he uses them in accordance with honest practices in industrial or commercial matters. However, the requirement of availability cannot in any circumstances constitute an independent restriction of the effects of the trade mark in addition to those expressly provided for in Article 6(1)(b) of the Directive.

Our comment: This decision clearly strengthens the rights of trade mark owners who have invested substantial efforts, time and money to built up a reputation for their trade mark in order to increase its distinctiveness. The decision will have a substantial impact on future cases where competitors try to profit from the reputation of a well-known trade mark by using similar signs.

This decision has made it clear that competitors cannot rely on the argument that the signs used by them should not be considered similar to a trade mark because use of this sign was merely decorative or that the sign was otherwise devoid of distinctive character.

V. GERMAN TRADE MARK LAW

1. German Federal Supreme Court on Bad Faith Trade Mark Applications by Third Parties ⁵

In a decision of January 10 this year, the German Federal Supreme Court (FSC) has substantially strengthened the rights of foreign trade mark holders against bad faith applications by third parties in Germany.

The plaintiff and the defendant both do business in the field of clothing, in particular “urban street wear” (sometimes also denoted as “hip hop fashion”). The plaintiff, a US company, had applied for several trade marks containing the term “AKADEMIKS” in the US, the earliest having an application date of June 4, 1999. However, in the European Union applications for “AKADEMIKS” as a trade mark were filed only in 2002 and in Germany in 2003.

The defendant was founded in autumn 2000 and applied for an AKADEMIKS trade mark for goods identical to those registered for the plaintiff’s trade marks at the German Patent and Trade Mark Office on October 18, 2000.

In 2003, the plaintiff sent a warning letter to the defendant and requested cease of use of the trade mark AKADEMIKS by the defendant. In his reasoning, the plaintiff relied on his prior US trade mark rights and the immense success with the AKADEMIKS marks. The plaintiff furthermore claimed that the application of the defendant’s AKADEMIKS trade mark had been filed in bad faith because the defendant had been well aware of the plaintiff’s success. Moreover, the plaintiff argued that the defendant had copied the looks of plaintiff’s goods.

The FSC held that the defendant’s actions were inadmissible under the German Law against Unfair Competition. In the considerations leading to this conclusion the Court found that the application and registration of a German trade mark as such does not constitute an anticompetitive impediment of a competitor’s business activities, even if the applicant knows that the sign is being used as a trade mark for identical goods in a foreign country.

However, a violation of the German Law against Unfair Competition (“Gesetz gegen den Unlauteren Wettbewerb”, UWG) may be assumed in case of additional circumstances. Such circumstances are given where the applicant of the German trade mark knows or is deemed to know that the foreign trade mark owner has been successful in building up a good reputation in the trade mark in his country, and thus has acquired valuable assets worthy of being protected under this sign. Then, either the use of the trade mark for similar or identical goods, or the use of the trade mark only for barring the foreign trade mark owner from using the trade mark in Germany must be regarded as an unfair means in competition.

Thus, the FSC ruled that the application for a trade mark identical to a trade mark that has been registered in a foreign country and that is used for identical goods, may be considered as inadmissible if the applicant intends to use this application only or mainly as an unfair means in competition.

Our comment: This decision clearly strengthens the position of foreign trade mark holders who have acquired a good reputation for the mark in their country but have so far failed to apply for the mark in Germany. Thus, the protection against unfair copying of successful foreign trade marks is improved and hence we recommend proceeding resolutely against such bad faith applications in Germany. On the other hand, of course, we strongly recommend establishing global brand protection for successful business activities as soon as possible in order to avoid any problems with bad faith applications from the very beginning.

⁵ German Federal Supreme Court, judgement dated January 10, 2008, legal case no. I ZR 38/05 – AKADEMIKS



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