



KADOR & PARTNER

NEWSLETTER

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I. CONCERNING US

1. Non-U.S. INTA Roundtables in 2002

Kador & Partner is pleased to host **four INTA Roundtables in 2002**. The sessions will be held at the firm's premises at Corneliusstr. 15 in Munich, and will all begin at 5.30 p.m. The first of next year's series will take place on **February 21, 2002**. **Dr. Roland Knaak**, attorney at law and esteemed member of the Max Planck Institute for Foreign and International Patent, Copyright and Competition Law in Munich, will speak about recent developments regarding trade marks in the European Community, with particular emphasis on the decisions of the European Court of Justice and the European Court of First Instance. In this connection we would like to draw the reader's attention to our report on recent ECJ practice in this NewsLetter.

On **June 27**, **Chief Justice Pecher** will talk about trade mark infringement cases and the role of the infringement courts in Germany. Mrs. Pecher is Chair of the First Chamber for Commercial Matters at the Regional Court I of Munich, and thus daily at the trade mark infringement "front".

On **September 26**, Patent Attorney **Dr. Alexander von Fünér**, Munich, will take the chair and provide up to date information about trade marks in Eastern Europe and Inner Asia. Dr. von Fünér and his firm have a long established reputation in this field of trade mark law.

Finally, two attorneys at law from the esteemed Munich intellectual property firm Hoffmann & Eitle, **Baron Wedig von der Osten-Sacken L.L.M.** and **Alexandra Spranger**, will introduce the audience to "Legal representation before the European Court of First Instance - Practical Experiences" on **November 21, 2002**.

As usual, the exact topics will be announced in the INTA Bulletin.

Our last guest speaker on November 29, 2001, was **Dr. Joseph Fesenmair**, Deutsche Telekom's Corporate Trade Mark Counsel, with the topic "**Deutsche Telekom - The trade mark policy of a**

global player". Before an audience of approximately 30 persons from the profession, including a chief judge of the Federal Patent Court, Dr. Fesenmair gave a lively oral and visual presentation on Deutsche Telekom's phoenix-like rise out of the "ashes" of the former state-owned monopolist Deutsche Bundespost to the global player and trade mark "giant" of today, with such well-known marks as the ever present capital T, specially designed as the central company mark, and the company color "magenta", a new color tone specially created for Deutsche Telekom, and today one of the few registered color marks in Germany.

2. Lecture activities

In the course of a recent business trip to Japan, Dr. Utz Kador held a lecture on the topic "Recent developments in European Patent Law". A summary of the lecture is included in this NewsLetter.

3. Conference activities

Dr. Utz Kador has been appointed chairman of a three hour workshop to be held at the UNION of European Patent Attorneys Congress in Budapest in May 2002. The workshop is entitled "Modifications of the EPC Resulting from the Diplomatic Conference held in Munich in November 2000 and from the coming Diplomatic Conference to be held in Munich in June 2001".

Furthermore, Dr. Kador is looking forward to again being official observer of UNION at the June 2001 EPC Diplomatic Conference in Munich.

4. Kador & Partner's Homepage

This NewsLetter, as well as our previous NewsLetters and general information about our firm can also be found at our homepage under www.kadorpartner.de.

5. CTM Advisory Initiative

We would like to draw the readers' attention, once more, to the homepage of this initiative of Munich attorneys with a number of contributions from Kador & Partner, to be found under

www.community-trade-mark-org. The purpose of the initiative and of the website is to provide general and up-to-date information about the Community trade mark. The attorneys who contribute articles are all experienced trade mark attorneys and highly knowledgeable on the field of Community trade marks.

II. PATENT LAW

Recent developments in European Patent Law

1. Clarity (Article 84 EPC)

Recently, several important decisions of the Boards of Appeal dealing with clarity have been issued. Article 84 EPC simply requires "that the claims shall be clear and concise". Observing recent decisions, it can be stated that the tendency of the decisions is rather to a stricter interpretation of the requirement of clarity of the claims. Exemplarily, the following decisions are discussed:

Decision T 1129/97 (OJ EPO 2001, 273)

This decision deals with the term "lower alkyl". The head note of the decision reads as follows:

"Explicit disclosure of the exact meaning of the term "lower alkyl" in the description alone and not in the claims is not sufficient per se for the claims to meet the clarity requirement."

The reasons for the decision can be summarized in the following way: Article 84 EPC stipulates that the claims defining the matter for which protection is sought must be clear. For the clarity requirement to be met, the group of compounds according to the claim must be defined in such a way that a skilled person can unambiguously distinguish the chemical compounds which belong to the claimed group from those which do not.

In the present case, it is in fact stated in the description: "Lower alkyl radical must be understood to mean a linear or branched radical having from 1 to 6 carbon atoms." Thus, what essentially needs to be decided is whether, in order to meet the require-

ments of Article 84 EPC, it is necessary and sufficient for the skilled person to be able to resolve any lack of clarity in claim 1 per se by referring to the description which supports it.

However, the clarity requirement of Article 84 EPC in fact relates only to the claims, and consequently, as the EPO's Boards of Appeal have consistently ruled, it demands that these be **clear per se** for a person skilled in the art with general knowledge of the technical field in question, without the need to refer to the description of the patent in suit (see T 2/80).

As the term "lower alkyl" appearing in claim 1 is not sufficiently precise for a skilled person to be able, immediately and unequivocally, to determine the maximum number of carbon atoms that a lower alkyl group may contain, claim 1 was held as not sufficient per se for that claim to meet the clarity requirement.

Comments: This decision makes it obvious that the clarity requirement is concerned with the claim per se and that it is not sufficient that the description gives further definitions. Former decisions have not been so precise on this issue.

Interestingly, the decision also mentions that the more general term "alkyl" is clear but that the narrower term "lower alkyl" is in itself not sufficiently clear. The reasoning seems convincing, namely that the qualifier "lower" creates the problem as this term has no generally accepted meaning in terms of the maximum number of carbon atoms.

Decision T 728/98 (OJ EPO 2001/319)

This decision deals with the feature "substantially pure" in a claim directed to a chemical compound. Particularly, with respect to Article 84 in combination with Rule 29(1) EPC the Board holds that a claim comprising an unclear technical feature entails doubts as to the subject matter covered by that claim. This applies all the more if the unclear feature is essential with respect to the invention in the sense that it is designed for delimiting the subject matter claimed from the prior art, thereby giving rise to uncertainty as to whether or not the subject

matter claimed is anticipated. Thus, it is for the reason of lack of legal certainty that such a claim is not accepted to be clear within the meaning of Article 84 EPC.

In the context of Article 84 EPC, the meaning of a term or expression used in a feature of a claim depends in particular on the definition thereof generally accepted by those skilled in the relevant art, as established in Rule 35 (12), last sentence, EPC which requires in general that use should be made of "the technical terms...generally accepted in the field in question".

The appellant has neither alleged, let alone provided any evidence of, any generally applicable quantitative definition for the expression "substantially pure" as such, nor is the Board aware of any. Thus, the feature cannot be accorded any quantitative definition having general validity.

Comments: With this reasoning, the Board found the claim unallowable. In this specific case where the only feature distinguishing the invention from the prior art was "purity", the decision is quite acceptable. However, in patent practice it is very common to use definitions which are somehow vague, e.g. the term "substantially".

In the reasoning, the Board argued that "this applies all the more if the unclear feature is essential for delimiting the subject matter claimed from the prior art". This wording indicates that the Board would also consider a claim as violating Article 84 EPC where the unclear expression is of no relevance for limiting the subject matter over the prior art. If all claims in patents which contain the expression "substantially" were regarded as invalid, when strictly applying the reasoning of this decision, this would destroy a great number of important patents.

Similar considerations can be applied to "technical" or "scientific" terms where it is again difficult or even impossible to meet the requirement of this decision, namely to have an "unequivocal generally accepted meaning in the relevant art". Examples of such expressions are "porous", "micro-porous", or "rigid".

To solve this problem of unclear terms, one might consider simply deleting the term. This might be possible during the examination procedure, but in opposition proceedings Article 123 (3) EPC will in most cases be an insurmountable barrier thereto.

In case T 728/98, the appellant also filed an auxiliary request where the feature "substantially pure" had been deleted. The Boards of Appeal, however, held that resulting from this amendment, the claim covers compounds of the formula given having **any** level of purity. Though the expression "substantially pure" is unclear, it is nonetheless a technical feature intended to impose restrictions as to the level of purity of the compounds.

Therefore, the Board concluded that claim 1 extends the subject matter claimed beyond the content of the application as filed, thus contravening Article 123 (2) EPC.

The case law has developed some possibilities to cure a claim containing unclear terms. This is mentioned in the decision as follows:

"According to established case law of the Boards of Appeal (see decision T 917/94), the omission of a redundant feature, whether essential or not, does not create subject matter which extends beyond the content of the application as filed."

Comments: It is obvious that it is difficult to present arguments underlining that a feature of the claim is redundant because under usual circumstances claims are drafted in such a way that the features are important for the claimed subject matter and are therefore, not redundant.

2. Priority (Article 87 EPC)

In respect of the requirement for claiming priority of "the same invention" referred to in Article 87 (1) EPC the case law of the Boards of Appeal of the European Patent Office used to be divergent.

There are a number of decisions according to which the scope of the right to claim priority from a previous first application was regarded as determined by, and limited to the extent to which the subject

matter claimed in the later European application had been explicitly or at least implicitly disclosed in the first application (for instance T 116/84).

The more liberal approach is reflected for instance in T 73/88 which provides that priority can be claimed even if a technical feature is added to the application which is not derivable from the priority application, provided that the additional feature does not change the character and nature of the invention.

Due to these conflicting decisions of the Boards of Appeal, the President of the European Patent Office referred this legal question to the Enlarged Board of Appeal for a final decision. The Enlarged Board of Appeal decided in favour of adopting the strict requirements for claiming priority in **Decision G 2/89**.

In their lengthy considerations of the question, the Enlarged Board of Appeal stated that because there were no clear and objective criteria for determining whether features related to the character or nature of an invention, the liberal approach was likely to lead to legal uncertainty. The main reasoning reads as follows:

"An extensive or broad interpretation of the concept of "the same invention" referred to in Article 87 (1) EPC, making a distinction between technical features which are related to the function and effect of the invention and technical features which are not, with the possible consequence that a claimed invention is considered to remain the same even though a feature is modified or deleted, or a further feature is added, is inappropriate and prejudicial to a proper exercise of priority rights. Rather, a narrow or strict interpretation of the concept of "the same invention", acquainting it to the concept of "the same subject matter" referred to in Article 87 (4) EPC, is necessary to ensure a proper exercise of priority rights in full conformity inter alia with the principles of equal treatment of the applicant and third parties and legal certainty and with the requirement of consistency with regard to the assessment of novelty and inventive step. Such interpretation is solidly supported by the provisions of the Paris Convention and the provisions of the

EPC, and is perfectly in keeping with opinion G 3/93. **It means that priority of a previous application in respect of a claim in a European patent application in accordance with Article 88 EPC is to be acknowledged only if the person skilled in the art can derive the subject matter of the claim directly and unambiguously, using, general knowledge, from the previous application as the whole."**

Comments: To apply this decision to a theoretical example, the consequence is that if priority is claimed of a first application describing the invention with features A and B then a European application claiming the invention with A and B' or A and B and C is not entitled to claim the priority of the first application.

This strict approach of the Boards of Appeal to claiming priority brings about several consequences.

- When drafting an application, particular care has to be taken to describe the invention in all details, especially with all features which might be relevant for claiming the invention.

Therefore, from the point of view of the applicant, it is essential that the first application should be as complete as possible and any important additional technical feature should be made the subject of a separate application as soon as possible rather than waiting for the end of the priority year.

- A provisional application, as can be filed in the United States, is quite incompatible with the strict requirements this decision of the Enlarged Board of Appeal imposes. The basic idea of a provisional application is to file a short and quickly drafted, not detailed application in order to obtain an early filing date. Therefore, such an application will generally not disclose all necessary features which might become necessary to be mentioned in the claim for delimiting the invention over the prior Article. On the other hand, the European Patent Office regards a US provisional application as the first application under the Paris Convention on which priority has to be based.

This will lead to the situation that in numerous cases, the priority of this first application in form of a provisional application cannot validly be claimed.

- The need of claiming a priority usually arises due to the fact that the invention is published shortly after the first application. Therefore, due to the increased risk of a strict approach of the EPO, it is reasonable to consider publishing the invention not before the expiration of the priority year.
- When limiting a claim during examination procedure in situations where the priority claim is essential, special care has to be taken that such feature used for the limitation is not only disclosed in the European patent application but also in the application from which priority is claimed. Such care is particularly necessary, because if a claim with a feature undisclosed in the priority document is granted, then this feature cannot be deleted any more because deleting a feature of a granted claim would violate Article 123 (3) EPC.
- The same care as during examination has to be observed by the proprietor in opposition proceedings.

On the other hand, the opponent should carefully check any amendment made by the proprietor to see whether this leads to a loss of the priority claim.

- The case law developed to amendments not allowed under Article 123 (2) stipulates that a feature has to be "directly and unambiguously" disclosed in the original application. This terminology is stricter than the wording in Article 123 (2) itself which says, "a European patent application or a European patent may not be amended in such a way that it contains subject matter which extends beyond the content of the application as filed".

Interestingly, the Enlarged Board of Appeals uses precisely the same terminology in its conclusion which corresponds to the head note mentioned before, namely "directly and unambiguously". This indicates that it can be expected that the

check for properly claiming priority will be precisely the same as that for checking an amendment to be in conformity with Article 123 (2) EPC.

The question of amendments being allowed or violating Article 123 (2) EPC is a very important issue in most opposition procedures, which is in contrast to proceedings in other countries. Therefore, it seems that in future the issue of properly claiming priority will also be discussed in many opposition cases.

3. Product by process claims

So-called "product-by-process claims" which are claims where a product is characterized only or additionally to other product features by the process of preparing the product are allowable if the product cannot be distinguished otherwise from the prior art. Product-by-process claims are e.g. quite often used to claim polymer compositions.

It is important to bear in mind that a product-by-process claim is a claim directed to the product per se and not to the process. Decision T 20/94 outlines this in the following way:

"Despite the fact that a product-by-process claim is characterized by the process for its preparation, it nevertheless belongs to the category of claims directed to a physical entity and is a claim directed to the product per se. Irrespective of whether the terms "directly obtained", "obtained" or "obtainable" are used in the product-by-process claim, it is still directed to the product per se and confers absolute protection upon the product."

The fact that the claim is a product claim has direct consequences with respect to the assessment of novelty of the claim. The **decision T 728/98** recently handed down deals with this problem in the following way:

"There are basically two different types of claims, namely a claim to a physical entity, e.g. a product, and a claim to a physical activity, e.g. a process for preparing a product.

Despite the fact that the compound is also characterized by the process for its preparation, the claim belongs to the category of claim directed to a physical entity, i.e. the product. According to the jurisprudence of the Boards of Appeal, such a claim comprising a "product-by-process" section is interpreted as a claim directed to the product per se, since the reference to the preparation process serves only the purpose of defining the subject matter for which protection is sought, which remains the product per se.

It is established case law of the Boards of Appeal that a claim for a chemical product defined in terms of a process for its preparation is patentable only if the product itself fulfils the requirements for patentability, i.e. in particular if it is new and involves an inventive step. To establish novelty, it is necessary that the modification of the preparation process results in other products, for example if distinct differences in the product's properties arise."

Comments: Although the case law of the Boards of Appeal is clear, it seems that nevertheless a considerable number of patents with product-by-process claims have been granted based on the fact that only the process feature of the claim is novel but the product per se is already comprised in the state of the art. It is important to realize that such patents could be regarded as invalid. Only a claim directed to the process per se would enjoy validity.

III. TRADE MARK LAW

The European Court of Justice (ECJ) and the Court of First Instance (CFI) have recently issued a number of important decisions in trade mark matters. The complete texts of the ECJ and CFI judgments can be found at the ECJ website (<http://curia.eu.int>) by entering the case numbers. Any emphasis in the following texts has been added by us.

1. "BABY-DRY", Judgment of September 20, 2001, Case C-383/99 P

This is the first ECJ judgment which deals with an appeal filed against a judgment of the CFI in a

Community trade mark matter, and the first one that deals with trade mark registrability questions. The judgment of the CFI was discussed in our October 1999 NewsLetter.

The main issue under review was the question of distinctiveness and descriptiveness of Community trade marks, in this case the term "BABY-DRY". The CFI had held that, since the purpose of nappies was "to keep babies dry", the term "BABY-DRY" merely conveyed to consumers the intended purpose of the goods and exhibited no additional feature to render the sign distinctive. The CFI had therefore held that "BABY-DRY" was not capable of constituting a Community trade mark.

The ECJ set up much narrower criteria and in addition held that Article 7 (1) of the CTM Regulation (absolute grounds for refusal) has to be interpreted in conjunction with Article 12 (limitation of effects of a Community trade mark). "It is clear from both provisions taken together that the purpose of the prohibition of registration of purely descriptive signs or indications as trade marks is to prevent registration as trade marks of signs or indications which, because they are no different from the *usual way of designating the relevant goods or services or their characteristics*, could not fulfill the function of identifying the undertaking that markets them and are thus devoid of the distinctive character needed for that function". The Court went on to say that "the signs and indications referred to in Article 7(1)(c) of the Regulation are only those which may serve in *normal usage from a consumer's point of view* to designate, either directly or by reference to one of their essential characteristics, goods or services such as those in respect of which registration is sought." With regard to marks composed of several words, "*any perceptible difference between the combination of words submitted for registration and the terms used in common parlance of the relevant class of consumers* to designate the goods or services or their essential characteristics is apt to confer distinctive character on the word combination enabling it to be registered as a trade mark". In applying these criteria to the term "BABY.DRY", the Court concluded: "While each of two words ("baby" and "dry") in the combination

may form part of expressions used in everyday speech to designate the function of babies' nappies, their *syntactically unusual juxtaposition is not a familiar expression* in the English language, either for designating babies' nappies or for describing their essential characteristics". Therefore, "word combinations like "BABY-DRY" cannot be regarded as exhibiting, as a whole, descriptive character; they are *lexical inventions* bestowing distinctive power on the mark so formed and must not be refused registration under Article 7 (1) (c) of the Regulation." The judgment of the CFI as well as the decision of the Board of Appeal of OHIM was consequently annulled.

Comments: This decision will have a considerable impact on the decision practice not only of the OHIM but also of the national Patent and Trade Mark Offices in the EU. According to ECTA *flash* of October 10, 2001, during a meeting in Alicante on September 3, 2001, the participants from OHIM had stated that the Opinion of the Advocate General in the BABY-DRY case (which the ECJ later followed), "had come as something of a surprise".

2. "Bravo", Judgment of October 4, 2001, Case C-517/99

The case was brought to the ECJ by the German Federal Patent Court for a preliminary ruling on the interpretation of Article 3 (1) (d) of the Trade Mark Harmonization Directive. This provision deals with grounds for refusal or invalidity in case of "trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade". The case results from a difference in opinion between the German Federal Supreme Court (BGH) and the Federal Patent Court concerning the interpretation of the cited provision and of the harmonized provision of the German Trade Marks Act, which - like some of the other harmonized laws (e.g. in Denmark and Sweden) - provides that registration is refused to "trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade *to designate the goods and services*".

In the case pending before the Federal Patent Court, the German Patent and Trade Mark Office had refused to register the trade mark "Bravo" for writing implements, and the Federal Patent Court had taken the view that under Article 3 (1) (d) of the Directive it was sufficient for a refusal if the word mark has become customary in the current language or in the bona fide and established practices of the trade without specifically describing the goods in question, so that the German provision would have to be applied accordingly. If this view were correct, this would, of course, provide a much broader basis for the refusal to register trade marks under Article 3 (1) (d) of the Directive, respectively the national provisions.

The ECJ ruled that the purpose of Article 3 (1) (d) of the Directive is to prevent the registration of signs or indications that are not capable of distinguishing the goods or services of one undertaking from those of other undertakings, so that the question whether particular signs or indications possess distinctive character cannot be considered in the abstract and separately from the goods or services they are intended to distinguish.

The Court furthermore held that, where the signs or indications concerned have become customary in the current language or in the bona fide and established practices of the trade to designate the goods or services in respect of which registration of that mark is sought, it is immaterial whether the signs or designations in question describe the properties or characteristics of those goods or services.

Comments: By confirming that the application of Article 3 (1) (d) of the Trade Mark Harmonization Directive is inherently limited to the refusal of trade marks which have become customary to designate the goods or services the marks are intended to distinguish, the ECJ has excluded the broader interpretation of the harmonized German provision such as applied by the German Patent and Trade Mark Office and the German Federal Patent Court. The Federal Patent Court will now have to consider whether the term "Bravo" is non-distinctive for writing utensils.

3. "Davidoff and Levi Strauss", Judgment of November 20, 2001 in Joined Cases C-414/99, C-415/99 and C-416/99

These three cases were brought before the ECJ by the U.K. High Court (Patent Court) for a preliminary ruling on the interpretation of Article 7 of the Trade Mark Harmonization Directive. They concern law suits brought by the two plaintiffs mentioned in the above heading against three parallel importers, and the High Court has asked the European Court of Justice for assistance in the interpretation of the term "consent" (of the trade mark owner) in Article 7 of the Directive, in particular with regard to *implied consent*.

In its decision the Court reasons that Article 7 has to be interpreted in conjunction with Article 5 of the Directive, because these two provisions embody a complete harmonization of the rules relating to the rights conferred by a trade mark and accordingly define these rights. The Court points out that Article 5 of the Directive confers on the trade mark owner exclusive rights entitling him, inter alia, to prevent all third parties not having his consent from importing goods bearing the mark. The Court concludes that *consent* is the decisive factor, and that in view of its serious effect in extinguishing the exclusive rights of trade mark proprietors, *consent must be so expressed that an intention to renounce those rights is unequivocally demonstrated*.

Consequently, the consent of the trade mark owner to the parallel import of products placed on the market outside the European Economic Area (EEA) may be *implied* (only) where it follows from facts and circumstances prior to, simultaneous with, or subsequent to the placing of the goods on the market outside the EEA which unequivocally demonstrate that the proprietor has renounced his right to oppose placing of the goods on the market within the EEA.

Implied consent cannot be inferred

- from the fact that the proprietor of the trade mark has not communicated to all subsequent purchasers of the goods placed on the market outside the EEA his opposition to marketing within the EEA;

- from the fact that the goods carry no warning of a prohibition of their being placed on the market within the EEA;

- from the fact that the trade mark proprietor has transferred the ownership of the products bearing the trade mark without imposing any contractual reservations;

It is not relevant

- that the importer is not aware that the proprietor objects to their being placed on the market in the EEA or sold there by traders other than authorized retailers;

- that the authorized dealers and retailers have not imposed on their own purchasers contractual reservations setting out such opposition, even though they have been informed of it by the trade mark owner.

Comments: The Davidoff and Levi decision considerably strengthens the position of trade mark owners against parallel import of products from outside the EU into the EU. It not only provides clear definitions of the terms "consent" and "implied consent" of the trade mark owner, but generally uses strong language to describe the trade mark owner's position, e.g. that it would be "unacceptable" to limit the protection afforded to the proprietor of a trade mark by Articles 5 (1) and 7 (1) of the Directive. The decision furthermore provides clear guidance with regard to the onus of proof of such consent, which has long been a source of debate. The Court expressly states that "it is for the trader alleging consent to prove it and not for the trade mark proprietor to prove its absence".

4. Registrability of three-dimensional marks: Two judgments of the Court of First Instance of September 19, 2001 in Cases T-337/99 and T-30/00

The Court had to decide about the registrability of

- 1) the form of a round tablet, comprising two layers, and of
- 2) the form of a rectangular tablet with slightly rounded corners, comprising two layers,

both filed as Community trade marks by the Henkel company. The colors of the tablets, white (lower part) and red (upper part), had also been claimed for registration. Both actions filed by Henkel were dismissed.

The Court argued that the way in which the public concerned perceives a trade mark is influenced by the average consumer's level of attention, which is likely to vary according to the category of goods or services in question ("Lloyd" decision of the ECJ, Case C-342/97, discussed in our NewsLetter of October 1999). According to the Court, on the one hand the level of attention given by the average consumer to the shape and colors of washing machine and dishwasher tablets, being everyday goods, is not high, while on the other hand the choice of a tablet shape for these products is an obvious one. It makes no difference that Henkel is the only undertaking to use the color red for tablets made up of two layers, because the use of basic colors, such as red or yellow, is commonplace and is even typical of detergents. The three-dimensional marks applied for consist of a combination of obvious features typical of the product concerned and are consequently devoid of any distinctive character.

Comments: The Court of First Instance has set clear standards for the registrability of three-dimensional marks which represent the product itself, but in case the decisions are appealed to the ECJ it remains to be seen whether the CFI's statement that "it makes no difference that the applicant is the only company to use the color red" will prevail.

5. Registrability of smell marks: Opinion of ECJ Attorney General of November 6, 2001 in Case C-273/00 (Sieckmann)

According to the opinion of Attorney General Ruiz-Jarabo Colomer issued in a case presented to the ECJ by the German Federal Patent Court for a preliminary ruling, smells cannot be trade marks even though they can be distinctive, because they are not capable of being represented graphically which is a requirement of Article 2 of the Trade Mark Harmonization Directive.

IV. COMMUNITY DESIGN

Since the reports in our NewsLetters of August 2001 and May 2000, OHIM has set up a complete department entitled "Models and Designs". Registration of Community Designs is expected to be concluded within three months after application in such cases where applicants fulfill all formal requirements. The number of representatives will essentially be limited to those who are already qualified for Community trade mark representation.

The possibility of registering designs of spare components of complex products provides an advantage over registering the complete entity where the scope of protection of the whole entity would be narrower, thus increasing the attractiveness of the Community Design for industry. Important industrial manufacturers such as the motor car industry will be able to obtain design protection on new and specific component parts, and will thus be in a better position to enforce their rights against counterfeiters. Kador & Partner shall keep its clients informed about the future developments and shall of course be pleased to assist in the filing and enforcement of Community Design applications with the assistance of its Alicante office .

V. IMPORTANT PROCEDURAL CHANGES

1. PCT

With effect as of **April 1, 2002**, the time limit under **PCT Article 22 (1)** regarding acts necessary to enter the national phase will be changed from **20 to 30 months**. As a result, the time limit for national phase entry under PCT Article 22(1) will be the same as that which applies under PCT Article 39(1)(a), where the applicant files a demand for international preliminary examination within 19 months from the priority date.

2. EPC

New Article 10 (d) concerning the refund of fee for international preliminary examination provides

for the possibility of two thirds of the fee paid for international preliminary examination to be refunded in case no detailed preliminary examination was asked for or no amendments under Article 19 or 34(2) PCT or any other arguments have been filed. Details of refund shall be determined by the President of the Office. The Article will come into force on **January 3, 2002**.

Furthermore, **Rule 25 (1) Implementing Regulations to the EPC** shall be amended to the fact that a divisional application may be filed relating to any pending earlier European patent application. Therefore, the time limit for filing of a divisional application is not longer dependent on a communication under Rule 51(4) Implementing Regulations to the EPC. The amended Rule will enter into force on **January 2, 2002**.

In this context, it has to be stated that **further amendments** concerning Rules 36 (1), 38 (5) and 51 Implementing Regulations to the EPC will come into force on **July 1, 2002**. We shall report on this accordingly.

3. German Patent and Trade Mark Office:

As of **January 1, 2002**, **opposition proceedings in patent matters** will take place before the **German Federal Patent Court**. This procedure will be introduced for a test period of three years. The newly introduced official opposition fee will be € 200.

In **trade mark proceedings**, changes will come into force regarding **request for reconsideration proceedings**, whereby alternatively an appeal can be lodged instead of request for reconsideration. The procedure will be introduced for a test period of three years, starting **January 1, 2002**. Furthermore, an official fee for request for reconsideration in the amount of € 150 will be introduced.

4. Civil Procedure Reform

On **January 1, 2002**, the most comprehensive reform of civil procedure since introduction of the Civil Procedure Code will enter into force in Germany. The purpose of the reform was originally to concentrate civil proceedings on one instance be-

fore the Superior Courts (Oberlandesgerichte), and on one judge, to abbreviate the overall duration of civil proceedings, and to introduce mandatory conciliation proceedings. After severe criticism the most dramatic change, namely the general concentration of proceedings before the Superior Court, has been postponed, and replaced by a so-called "experimentation clause" which allows the individual States of the Federal Republic of Germany to introduce such concentration during a test period ending on January 1, 2008, during which the test phase shall be professionally controlled and analysed. The State of Bavaria will not apply the experimentation clause.

VI. CIVIL LAW REFORM

Also on **January 1, 2002**, far-reaching amendments of the German Civil Law, specifically the **law of contracts**, will enter into force. The changes were partly required by three EU Directives, namely the Directive on Certain Aspects of the Sale of Consumer Goods and Associated Guarantees, the Directive on Combating Late Payment in Commercial Transactions and the Directive on Certain Legal Aspects of Electronic Commerce in the Internal Market, particularly the first mentioned Directive. Due to severe changes in the statute of limitations, general law of contract, law of sales contracts, law of work and service contracts, law of torts, and to the insertion of the (previously separate) Act on General Terms and Conditions in Trade in the Civil Law Code, the reform represents the most far reaching amendment of the Civil Law Code since its introduction in 1896. Since the reform only passed the last legislative step on November 9, 2001, and not even the final text of the new provisions is yet publicly available, this reform, together with the Civil Procedure Reform, presents a real challenge to the legal profession!