

# Newsletter

## IP·IT·Media

May 2008

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Dear readers,

From May 17 to May 21, 2008, legal trademark experts from around the world will have the opportunity to meet in Berlin on the occasion of the annual INTA (International Trademark Association) meeting to generate professional exchanges and gather socially. More than 8,000 participants are expected, which makes INTA one of the largest annual meetings in the profession for lawyers and attorneys. Along with numerous top-class professional events, the opportunity to network will be a major feature. During the various receptions being held by companies specializing in the field of Trademark Law, there will be many opportunities to meet interesting colleagues from every continent on the globe.

The INTA events of the past two years in Toronto (2006) and Chicago (2007) set an extremely high bar for the quality of organization and atmosphere at future events. So it is fortunate that we Germans already had the welcome opportunity during the 2006 Soccer World Cup to practice playing host to so many visitors from other countries.

It cannot be underestimated how significant INTA is for the harmonization and comprehension of Trademark Law worldwide. In the numerous committees which constitute INTA, experts from every jurisdiction meet to discuss legal trademark issues in great depth and with great passion. Naturally, related fields of law concerning intellectual property are given due consideration. However, Trademark Law, as can be seen in this issue of our newsletter, is given priority, since it has become increasingly important for companies over the last few decades. Taking part in this fascinating event is definitely worth your while, especially since the opportunity to welcome INTA in Germany will most likely not arise again in the next ten or twenty years. If you would like to learn more, please contact the members of the IP•IT•Media•Practice Group at Heuking Kühn Lüer Wojtek. We would be pleased to inform you of the scope of our activities at INTA.

Yours, Dominik Eickemeier

## Editorial

Dominik Eickemeier



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Many legal systems are familiar with a legal mechanism such as the preliminary injunction. By means of a preliminary injunction, a court decision can be obtained very quickly. The legal tool of a preliminary injunction is frequently sought and applied when dealing with intellectual property rights and copyright. Cases that involve intellectual property are such that they often require speedy decisions.

However, there are very few legal systems that issue a preliminary injunction “ex parte”, meaning without hearing the opposing party in advance. Of course, in Germany the legal right to a hearing is also protected under Constitutional Law. However in the case of preliminary injunctions, this precept must often stand aside to give priority to the precept of prohibiting a recognized legal infringement as quickly as possible. This legal mechanism is particularly significant since it can be used to procure a court decision within a matter of a few days, or even a few hours, for trade shows or exhibitions. Especially in cases of plagiarism where designs are copied, and in instances of patent and trademark infringements, it is often of no benefit to the holder of specific rights to endure a drawn out legal process, especially when an exhibitor from a foreign country who has displayed imitations returns home once a trade show has ended, and in doing so prevents the holder of the rights from being able to bring effective legal action.

“Where there’s no defendant, there’s no trial” could be likened to the well known saying “Where there’s no plaintiff, there’s no judge”. Months or even years may pass until a claim is served upon a defendant in a foreign country, depending on the country, especially if the defendant is not located within the European Economic Area. If a plaintiff does manage to obtain a judgment against a defendant, the next consideration would be whether the judgment could be enforced in the plagiarist’s own country. Not infrequently this involves a substantial costs without any certainty of success for the holder of the rights.

The situation is completely different for a preliminary injunction obtained within the context of a trade show or an exhibition: An infringement against the rights of a rights holder recognized early here can be prohibited in a matter of one or two days, even while the trade show is still underway, by means of a preliminary injunction issued by a court that specializes in such issues. As a consequence, the plagiarist is not only required to immediately

## **Fast preliminary injunction to prohibit product imitations at trade shows and exhibits without hearing the opponent in advance**

Dominik Eickemeier (Cologne)

### **No requirement to hear an opposing party in advance**

**“Where there’s no defendant, there’s no trial”**

### **Particularities for trade shows and exhibitions**



## Fast preliminary injunction to prohibit product imitations at trade shows and exhibits without hearing the opponent in advance

desist from displaying the imitation during the trade show event, but in design patent and trademark law as well as in patent law, it is even possible to make use of the so-called sequestration application to have an imitation immediately removed from the exhibition hall by a court-appointed marshal. In addition: The plaintiff may also obtain a legally enforceable title covering the costs of the proceedings in the case of a trade show preliminary injunction by means of an in rem arrest warrant if the opposing party is from a remote foreign country. Should the imitator not be willing to pay these costs immediately (on site!), the court-appointed marshal has the right (and is willing) to confiscate objects of value from the imitator's exhibit booth in order to secure payment of the costs. It is not hard to imagine how damaging an impression this kind of procedure would make on trade show visitors and other exhibitors. If carefully executed, the court-appointed marshal will arrive on the scene as well as a freight carrier that is equipped to transport items away immediately. In many instances this nightmare scenario often forces the imitating exhibitor to pay the costs of the injunction immediately.

As anyone can imagine, expedient and smooth communication between the client, the attorney, tradeshow management, the court and the court-appointed marshal is extremely important to ensure that no time is wasted and that the "gears click into place". In many cases, there is only a day or two in which to prepare the respective application for a preliminary injunction and to have the logistics in place at the trade show itself to effectively enforce an injunction. Engaging patent attorneys is advisable in the event that specific technical questions need to be reviewed. Courts who specialize in this area are well prepared to handle these kinds of applications and as they are able to act quickly, play a major role in quickly and efficiently allowing the holder of the design patent, the patent or the trademark to enforce his or her rights. If an imitating company is ever subjected to such a scenario, it will doubtlessly consider whether or not it really wants to display the imitated products at the next trade show in which it participates. [d.eickemeier@heuking.de](mailto:d.eickemeier@heuking.de)

### Speed counts

**Result:** In the case of an "ex parte" injunction, legal infringements at trade shows and exhibitions can be successfully and efficiently stopped in their tracks within a matter of a few days. In many cases for exhibitors from abroad the costs of the injunction proceedings can be collected while the trade show is still ongoing.



## Patents open doors – The right to inspection under patent law

Patents offer useful services. With them, the holder can prevent competitors from offering products using the patented technology. In addition to the rights that a patent holder has had up until now (injunction, disclosure, indemnification), now a fourth right is joining in on the action and is continuously gaining in significance. This right involves the right to inspection. It is especially important in the case of process patents and at trade shows.

In many cases, patents are not obviously and openly infringed upon, but instead the infringement takes place in production halls, laboratories and office rooms. That is what makes life sometimes so incredibly difficult for the patent holder. How is he expected to provide evidence of a patent infringement that will hold up in court if he cannot get his hands on the most important piece of evidence, the patent-infringing object itself, and then getting it before a judge? Especially in cases when the patent does not relate to a product, but instead to a process and this process is only applied in closed production halls, many lawsuits are dismissed because of “lack of evidence”.

In this kind of situation, German courts provide assistance to the patent holder. They allow a patent holder to carry out an inspection at the location where an alleged patent infringement is being carried out. If the patent holder can credibly show that a patent infringement is probable, even though the ultimate evidence may still be missing, he may submit an application to the court to have an expert be appointed to carry out an inspection at the production facilities. Should the operator of a production facility refuse the expert entry, he is even able to gain entry by force, meaning he can even force his way in with the help of the police. The expert will then let the court know what he found at the location. If he does in fact find the missing evidence, the court will inform the plaintiff accordingly. He may then file a patent infringement complaint and demand an injunction, disclosure and compensation for damages. Using the evidence obtained by means of the inspection, this kind of complaint is likely to be successful.

European Directive 2004/48/EC (also known as Enforcement Directive) obligated the Member States of the European Union to amend their national laws so as to protect and enforce industrial property rights. In doing so, they must also find ways to

Anton Horn (Düsseldorf)

### **Lack of evidence especially in the case of process patents**

### **German courts assist the patent holder by issuing an inspection order**

### **Requirements by European law, German solution**

## Patents open doors – The right to inspection under patent law

accommodate options available to carry out an inspection and to preserve evidence. These provisions were to be implemented by April 29, 2006. The German legislator has done so only by enacting the “Act on the improved enforcement of intellectual property rights” on April 11, 2008. However, even prior to this implementation German special courts for patent disputes have taken into consideration the requirements of the European directive when applying regulations already in place. The right to inspection in substantive law has previously been derived from Section 809 German Civil Code (BGB) and the proceedings often involved a combination of an independent pre-trial discovery and preliminary injunction proceedings. In particular, at Landgericht (Regional Court) Düsseldorf, the most important court for patent disputes in Europe, these types of inspection orders have by now become a matter of routine. From now on, inspection orders will be issued on the basis of the newly enacted law.

Inspection orders are also possible in other European countries. In France, as “saisie contrefaçon”, they are comparatively easy to be obtained. If a patent holder owns a patent in both France and in Germany, he is often well advised to first obtain a “saisie contrefaçon” in France and then to initiate patent infringement proceedings in Germany.

An inspection order will not be issued based on a general request, but instead the application filed must include an accurate description of what the inspecting expert is allowed to take with him into the facilities and what he is allowed to do there. If the expert is unable to remove the enclosure of a piece of production equipment in order to be able get a good view of the inside, this is the expert’s problem or rather the problem of the patent holder who filed the application. The party opposing the application need do nothing but stand close by with folded arms and is not required to assist the expert. So as a result, if the application is to actually bring about the desired success, the applicant must list what tools the expert needs to have with him and what kind of assistants will be required on site. In order to be able to suitably formulate the application, it can be advisable to simulate an inspection in advance. Because of this, the process of preparing this kind of application is often very involved. However, the achieved effect and benefits in many cases do considerably outweigh the costs and efforts.

However, the right to inspect does not only play a major role for process patents and production equipment, but also if foreign companies exhibit their products at German trade shows. If evi-

### **Inspection orders in other European countries**

### **Tailor-made orders require utmost care in their preparation**

### **Evidence can also be obtained at a trade show in Germany**

## Patents open doors – The right to inspection under patent law

dence is lacking at the beginning of a trade show and cannot be obtained easily (by means of photographs or brochures), often an inspection or even an examination of the objects being displayed is an advisable option. If the inspection order can be prepared before the trade show even begins, it can be served and executed during the trade show. The expert can begin his appraisal of the exhibits immediately. In doing so, evidence can be obtained that a patent is in fact being infringed upon and that the infringement did take place in Germany.

Many companies are not aware of the risk that they themselves might be subjected to an inspection order. Both production facilities as well as trade show booths may be the focus of patent holders. However, no one is fully unprotected against an inspection order. There is the option of filing a so-called protective brief at the competent court, thus demonstrating why an inspection order would not be admissible, or why at least the opposing party would need to grant permission to take certain measures to protect its trade secrets. A company might, for example, file that the opposing party is allowed to cover from view screens of operating panels for manufacturing machines. What might also be filed is that the expert would need to observe certain safety regulations and/or would have to wear certain kinds of clothing in clean rooms. This way, a company can at least prevent that undesirable side evidence is found or that the production operation is disrupted.

At least as important as submitting a protective brief is to have the company's own employees prepared in the case of any inspection order. Once an inspection order has been served, many staff members simply do not know how to respond. Often, they react by refusing entry or by becoming aggressive and in doing so escalate the situation, which is not wise. What happens just as frequently is that employees are quick to provide assistance and naively provide the expert with too much information. If employees are confronted with an inspection order unprepared, rumors could be started. Some employees might even begin wondering whether their own company is doing anything illegal. A brief employee training session can be effective as a means to counteract any unwanted reactions. If an inspection order were then issued, employees are prepared to react professionally and the expert will receive only the information that he in fact has a right to receive.

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### Being protected against inspection orders

### Do not forget to prepare the employees!

**Result:** Inspection orders make it possible for the patent holder to obtain missing evidence. Patent holders should make use of this option and prepare themselves accordingly. If, on the other hand, a company is concerned that it might be sued for patent infringement, it should take preventive measures to protect its own technical expertise and to prevent disruptions to business operations.



In Community Trademark Law, a complaint may be filed against an infringement of a Community trademark to have effect for the entire community at one single national court, the Community Trademark Court. With the exception of the forum delicti, national Community trademark courts are competent for all acts of infringement that are committed in any Member State, or where there may be the danger of act such being committed. In a decision of the Federal Court of Justice (BGH), “THE HOME STORE” decision, the Court defined under what conditions an injunction can be filed that will also apply for other Member States in which no act of infringement has yet occurred.

The plaintiff in the proceedings filed suit based on its Community trademark “THE HOME DEPOT” against the use of the sign “THE HOME STORE” in Germany (also compare in this regard the case law news ticker in this newsletter) and had requested the court order the defendant to refrain from using the sign in all countries within the European Union. The defendant had contested a decision to grant an injunction which had effect throughout Europe.

The national Community trademark courts are the competent authorities for filing claims against an infringement of a Community trademark. Their jurisdiction generally includes the entire area within the Community. However, this does not necessarily mean that all claims based on the infringement of a Community trademark are to be judged based on a standard set of laws. Article 98(1) of the Community Trademark Regulation (CTMR) grants the party, whose Community trademark has been infringed, or if any such infringement has been threatened, autonomous injunctive relief that is not dependent on the law of any particular Member State. This does not, however, apply to subsequent claims in conjunction with trademark infringement, such as, in particular, any rights to disclosure and damage claims. Pursuant to Article 98(2) CTMR, the laws of the Member State in which the acts of infringement or threatened infringement were committed apply to those. The Community trademark court where the appeal is brought must therefore apply the national laws applicable in the Member State concerned.

## **Territorial range of rights from a Community trademark**

BGH 09/13/2007, GRUR 2008, 254 – THE HOME STORE

Astrid Luedtke (Düsseldorf)

## **Claims based on a Community trademark**



In the “THE HOME STORE” case, the BGH established that injunctive relief is to be granted to be applicable for the entire area of the European Community, because as a result of the act of infringement in Germany, an infringement of the trademark in dispute also threatens in the other Member States. In view of the intention to standardize the Community trademark, an act of infringement committed in one Member State would typically establish at least an impending infringement for the remainder of the European Community countries. Thus, in order for an order for injunctive relief to be applicable for the entire area within the Community it would not be necessary for an infringement to actually have already been committed or even be impending in every Member State of the European Union.

What remains unclear, however, is whether this also applies in all cases in which the likelihood of confusion is assessed differently in separate regionally bordered areas as a result of language differences or any deviating cross-border customary usage in trade or any difference in the interpretation based on the distinctiveness of a trademark. In the case in question, the BGH did not see an indication of any deviating assessment of a likelihood of confusion between the trademark in dispute “THE HOME DEPOT” and the sign being suit “THE HOME STORE” in the other Member States and thus left the question unanswered as to whether in such cases any bans restricted by territory could be or even needed to be imposed.

Another issue unanswered was that of any right to claim damages beyond the borders of German territory. In the case that was to be decided, acts of infringement were only committed in Germany so that there was no reason for the BGH to make any statements in terms of content to any rights to damages in other Member States within the Community. To that effect, the BGH merely established in its decision that in a case of this sort it could not simply be assumed that German law is applicable.

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## Territorial range of rights from a Community trademark

**Injunctive relief applicable throughout the Community in the event of an act of infringement in only one Member State**

**Territorial restrictive bans in individual cases**

**Applying national laws to annex claims**

**Result:** In a case where a Community trademark is infringed, the BGH accepts an act of infringement in Germany as sufficient to allow the general assumption that there is a risk of an infringement being committed elsewhere and as such a right to injunctive relief for the area spanning the entire European Union. However, care should be taken if there is any reason to assume that a single Member State may interpret the likelihood of confusion any differently than it is interpreted in Germany. In this case, it is advisable to restrict the application for issuance of injunctive relief to apply for a specific territory so as to not risk a partial dismissal.



The Internet continues to offer more opportunities daily. On the other hand, this does present a large number of risks. This is the case anywhere in the world, but especially for the People's Republic of China, with its more than one hundred million users.

Since China has been connected to the Internet, the number of domain names in China has been growing rapidly. The introduction of the so-called Chinese Domain Name (CDN) on January 18, 2000 contributed to the surge in domain names. As with traditional domain names, the CDN domains not only use letters of the Latin alphabet, but also Chinese characters. So, Chinese Internet users can type in Chinese characters directly into their computers in order to navigate to a website. If based on the assumption that only 10% of the more than 1.4 billion Chinese population is capable of using letters in the Latin alphabet, CDN domain names allow an immeasurably large audience access to the Internet.

Around the world, the Internet is no longer simply reserved for the cosmopolitan elite but instead has become an integral part of everyday life for large groups of the world's population. As a result, not only has the number of users grown, but also the extent to which it has taken hold in each culture. It is no longer simply made up of dot.coms and more or less US participants. The Chinese do not use Google as an Internet search engine, but www.baidu.cn. Baidu is a Chinese company that celebrated a magnificent IPO in 2005. And double gifts are not up for auction on eBay in China, but instead at www.taobao.com.cn. One quick look at this website allows any one to have a good idea about what the Chinese see as an "online culture".

No one in this country is surprised that Chinese companies in Europe present their names using letters from the Latin alphabet and that they register trademarks as well as Internet domain names accordingly. It would, for that matter, be strange for a Chinese company to only present itself in Europe using characters from the Chinese alphabet. Something that is seen as simply a matter of course in one direction is often simply dismissed as being much too difficult the other way around. European companies often do not even bother to give any thought to how their name would translate best in Chinese characters so that their products would be accepted in that country and contribute to a company's success in China.

## **Lost in Translation in Chinese: Internet domains and trade- marks in Chinese characters**

Zhenzhou Ma (Düsseldorf)

Anton Horn (Düsseldorf)

### **Chinese domain names are different from conventional domain names**

### **To adapt is normal – but why does it always have to be in one direction?**



If a company does want to present its products on an international playing field, or it would like to retain this option, there are several good reasons to consider how a company can best present themselves in China, and how to do so using Chinese characters. A company can choose characters that have the same meaning or characters that sound similar to the ones in the European alphabet. Or, you can choose characters that create a similar mood or express a similar idea. So, it is not enough to simply expand the trademark and domain name registration to include China, but this should more often than not firstly involve a creative endeavor and make use of local expertise to create a new subject of protection (this being the new Chinese names). This is not an easy task and does cost money, but can be extremely profitable, whilst procrastination may prove to be very expensive.

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## Lost in Translation in Chinese: Internet domains and trade- marks in Chinese characters

**A Chinese identity: Creative acts and  
worthwhile investment**

**Result:** Companies working internationally or expanding into international markets should create Chinese versions of their company and product names and then have them protected by registering their Chinese Internet domain names and trademarks. Similar thought should be given to other newly industrializing countries, such as India and Arab nations.



Due to lack of regulation and protective mechanisms, domain names in China are often misused for the purpose of “trademark grabbing” or “cyber squatting”. What this means is that a company (often a Chinese company) registers a European company or product name in China as a trademark and / or Internet domain name using characters from the Latin alphabet and / or its equivalent in Chinese characters.

A well-known example is the case “Starbucks vs. Xingbake”. Starbucks did not take steps to register its name as a trademark in China. On the other hand, a Chinese company registered “Xingbake” in Chinese characters and opened a coffeehouse chain, similar to the Starbucks concept. “Xing” in Chinese is the same as “star”. And the Chinese character “bake” sounds similar to “bucks”. Xingbake used a logo that looked similar to the Starbucks logo. So, a Chinese consumer could easily assume that Xingbake was the legitimate Chinese version of Starbucks. What’s more, Xingbake even had the idea based on the Xingbake trademark to take legal action against the original Starbucks stores.

When registering an Internet domain name in China, the principle that applies is “first come, first served”. A regulation issued by the Ministry for the Information Industry (MII) in 2004 provides that the authorized government registration sites must observe the rights of third parties during the registration process. If you are lucky, you will therefore receive an e-mail notification if a third party is registering an Internet domain name, which might infringe on name rights or trademark rights. In that case you have the opportunity to quickly register the Internet domain name yourself so that it cannot land in the wrong hands.

However, this information from the authorized government registration sites is often copied by free riders. Their e-mail looks like an official notification and the recipient is typically grateful that he has the opportunity to prevent a third party from going through with the registration. So, there is no question about paying the amount necessary to register one’s own name or domain within the given deadline. The result: Money thrown out the window and no Internet domain is ever registered. So, the first step is to carefully check whether the e-mail with the friendly notification really was sent by an authorized government registration site or not. Luckily, there is a way to check this with relative certainty

## **Golden boy or free rider – when a third party has registered your trademark or Internet domain in China**

### **Domain Grabbing and Trademark Grabbing in China**

Zhenzhou Ma (Düsseldorf)

#### **Starbucks as a prominent victim**

#### **Notifications from authorized Internet registration sites**

#### **Careful, free riders are taking advantage**

## Golden boy or free rider – when a third party has registered your trademark or Internet domain in China

using official Chinese lists. This way, you can get your foot in the door in time to prevent the domain name from landing in the wrong hands.

Many foreign companies do end up finding out that third parties have had their company and product names that they use outside of China registered as Internet domain names or trademark names in China. Based on the “Interpretation by the Supreme People’s Court of Several Issues Relating to the Application of Cases of Civil Dispute over Domain Names on Computer Networks” in 2001, reliable protection may therefore only be claimed by the so-called “well-known trademarks”. In view of the exceptionally high requirements to even be considered as such, many small and medium-sized companies are essentially defenseless.

Often, their only resort is to buy back the mark or the Internet domain name from the grabber. To do so, they need to negotiate. Having to negotiate in any normal situation with a Chinese partner is already fairly difficult for any European, not to mention, when it comes to negotiating with trademark or domain name grabbers. These cases require a certain amount of skilled sensitivity that combines the Chinese mix of hinted threats, an authoritative demeanor and yet a friendly manner. But even then, you are never fully protected against a surprise turn of events or two, but often one can ultimately return the trademark name and domain name to the rightful owner’s hands.

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**If you get there too late, you pay the price**

**Result:** If a third party has registered “your” trademark or domain name in China, any notifications or offers to that effect should first be reviewed to see if they are serious ones. If you are no longer capable of preventing a registration to the benefit of a third party, what are needed are skilled negotiations using Chinese sensitivity, but often they can be successful. But, the best approach of all is to register these names and logos yourself in a timely manner.



## Legal development – current amendments **Revision to the German Civil Code Duty to Inform Directive**

Federal Law Gazette (BGBl.) 2008 I, p. 292 et seqq.

Kai Runkel (Cologne)

On March 4, 2008, the German Federal Department of Justice issued the Third Directive on the Revision to the German Civil Code Duty to Inform Directive, which was published in the German Federal Gazette on March 12, 2008 and which took effect on April 1, 2008.

The Directive includes, among other things, a revised version of the sample instructions on rights of withdrawal or the right to return products for certain consumer contracts, especially those entered into in electronic business transactions and through remote sales. By way of these revisions the German Department of Justice is accommodating for the fact that sample instructions, which have existed up until now in the German Directive on Duty to Inform and Accountability under the Civil Code (BGB-InfoVO), do not fully comply with the requirements listed in the German Civil Code. In accordance with the legal practice of some courts, this could have the result that if the samples offered to date are used and by doing so companies provide incorrect instructions, then the period to be set for withdrawing from a contract or rather for returning a product is in fact not set and the company might even be in violation of competition laws. A welcome result is that the revision directive distances itself from the approach that had been considered before it was issued, namely, to make it mandatory to print excerpts of about 4 pages from relevant legal regulations on the consumer instruction on withdrawal and product return rights. In particular web store operators considered this to be tedious and it was criticized for being rather confusing for the consumer.

Still being criticized, however, is that sample instructions are being formulated only on the basis of delegated legislation, meaning they are governed by means of an executive order law. In the opinion of some courts whenever a single detail in the sample instructions is not in harmony with the complicated requirements that the German Civil Code sets out for instructing consumers, given the Civil Code's priority as a standard, the legal consequence provided for in BGB-InfoVO cannot take effect, whereby the information obligations of the companies would be considered fulfilled by making use of the sample instructions. This situation is an awkward one, since in view of the complexity of the duty to inform in the German Civil Code, the BGB-InfoVO is meant to create a degree of legal certainty for companies. Therefore, it would make more sense to grant the sample instructions

### **Content of the new regulation**

### **Criticism**

and the fictitious fulfillment of the duty to inform the status of a formal law instead of governing them by a mere executive order law.  
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## From our practice

### **Domain name 4711.org won after difficult WIPO mediation proceedings**



Lawyer Dominik Eickemeier managed to secure the rights to the 4711.org domain name in the process of WIPO mediation proceedings from a domain grabber for our client Mäurer + Wirtz GmbH & Co. KG, the “4711” trademark holder.

In the mediation decision of February 5, 2008, the arbitration board appointed by WIPO held that the domain name 4711.org should be assigned to the applicant, the owner of the 4711 trademark and business. In order to achieve this kind of assignment, during mediation proceedings evidence must be provided that the domain name under dispute is identical or similar to the trademark rights of the applicant, that the current domain name owner does not have a legitimate interest or rights to the domain name and that it was only registered and used with the intention of causing harm. As opposed to the mediation proceedings by the Czech Arbitration Court (CAC) for .eu-domain names, in WIPO proceedings, which are based on a different set of laws (the Uniform Domain Name Dispute Resolution Policy, in short “UDRP”), what must be proven is that a legitimate interest is lacking and that the opponent’s intention is to cause harm. In the present case this was successfully proven. The domain name holder had failed to respond to the complaint in a timely manner. For this reason, the arbitration board decided in favor of the arguments presented by the applicant. What it specifically recognized was that the applicant’s trademarks had achieved a significant amount of popularity and thus a certain amount of “goodwill” and that they were recognized marks in many different countries.

With the support of Heuking Kühn Lüer Wojtek, the applicant had purchased the 4711 trademarks and the business behind them from Procter & Gamble a year and a half ago.

## Preliminary ruling proceedings at the European Court of Justice

On February 28, 2008, Dominik Eickemeier, Copyright and Trademark Law partner at the Cologne office, represented the interests of a client before the European Court of Justice (ECJ) in Luxemburg in a dispute involving Copyright Law.

The question in dispute is whether government agencies should be required to provide the public with access to so-called "official databases", being databases that list official content (such as, for example, laws and official notifications) free of charge, or whether government agencies may assign one single private or public company the right to make this kind of information available. In Copyright Law, German laws provide that official database collections are considered copyright free. The question now at issue is whether this rule can also be applied to electronic databases as understood by the European Database Directive (sui generis databases pursuant to Article 7 of the Database Directive). The German Federal Court of Justice (BGH) confirmed our opinion in its decision of September 28, 2006 (Case: I ZR 261/03 - Sächsisches Ausschreibungsblatt). The Court also referred the matter to the ECJ, since the dispute involved questions arising under European Law. The ECJ must now make a decision with regard to the interpretation of the European Database Directive from 1996 (Database Directive 96/9/EC). During the hearing on February 28, 2008, the decisive legal questions were once again discussed in great detail. Advocate General Eleanor Sharpston will present her final motions over the next few months. After that, the ECJ will take its decision.

The ECJ judgment and the subsequent decisions by the BGH, as well as any decision by courts in following instances, will have a decisive impact on the future of freedom of information as it relates to official databases, which in our mind is clearly the intention of legislators. Relevant background information on the intention of legislators is the public's right to receive as much information as possible on the activities being performed by public offices. The German Act on the Re-use of Public Sector Information came into effect in December of last year, and German legislators had already indicated in relation to a different matter, that the Act was intended to allow the re-use of information. This law is also based on a European directive.

## Trademark Law/ Law on Related Signs

### **ECJ: A Member State is not obligated to punish ex officio the improper use of protected designation of origin**

ECJ 02/26/2008 (Case C-132/05)

**Principle of the editorial office:** The use of the word “parmesan” for cheese, which does not match the specifications of the protected designation of origin, “parmigiano reggiano”, is a violation of the Regulation on the protection of geographical indications and designations of origin for agricultural products and foodstuffs. Violations of this nature must be prosecuted by means of regular legal venues in Germany.

**Comment:** The ECJ was to make a decision on whether the use of the word “parmesan” for grated hard cheese or such meant to be grated represents a violation of the protected designation of origin “parmigiano reggiano” if such cheese does not conform to the specifications of the protected designation of origin. The court affirmed this question. It did, however, dismiss the claim brought forth by the Commission that Germany is obligated to punish ex officio any violations to the effect. In the court’s opinion, the German legal system does provide for sufficient means for the owner of rights of such a designation of origin to enforce his rights to protected designations of origin.

Those having rights to a protected designation of origin must therefore enforce any violation of their rights in Germany by means of commercial legal remedies in accordance with the possibilities that are provided for by the Act against Unfair Competition (UWG) and by the Trademark Act.

**Principle (Excerpt):** The use of a company name, a trade name or a company logo, which is identical to an older trademark by a third party not entitled to use such for the purpose of selling products that are identical to those for which the trademark was registered represents a use that the trademark owner may prohibit pursuant to Article 5(1)(a) of the Council Directive 89/104/EEC of 21 December 1988 if it relates to a use for products, which would negatively impact or might negatively impact the function of the trademark.

**Comment:** The ECJ, as opposed to German legal jurisprudence in the past, is of the opinion that company names generally do not serve the purpose of distinguishing products or services from each other. According to this opinion the use of a logo as a company name for an enterprise that sells products of a

### **With regard to pre-conditions for the violation of a trademark by using it as a company name**

ECJ 09/11/2007 (Case C-17/06), WRP 2008, 95 –  
*Céline*

## Trademark Law/ Law on Related Signs

specific nature does not, therefore, pursuant to this opinion, automatically result in an infringement upon an older trademark of a third party with an equal name or one that is similar that is protected as compared to equal or similar products. What, moreover, must also be at hand, according to the EJC decision, is a concrete relationship between the company name and the products it sells. This relationship can of course on the one hand be established by a company name applied physically to the products as a designation of origin. However, the ECJ is also of the opinion that any other kind of use of the name in this manner that established an association between the name and the product is sufficient to show a trademark infringement. At what point these pre-conditions are at hand was, as is typical for ECJ, left unanswered and in so doing, the ECJ leaves the determination of this question to national courts.

It remains to be seen which criteria the Federal Court of Justice (BGH) will determine as constituting an infringement on trademarks in the event of use in a company name. In view of the tradition in Germany of a preference for being generous in claims resulting from trademark rights against company name usage, it is probably not to be expected that any company name use of this kind will be exempt from claims by older trademarks in the future.

**Principles:** The Community trademark is not protected against a simple company name usage.

Injunctive relief based on the infringement of a Community trademark in one Member State, in any event, typically also applies to the entire area within the European Community.

**Comment:** Following the “Céline” proceedings by the European Court of Justice (see above), the German Federal Court of Justice (BGH) established that the Community Trademark Directive only provides protection to a Community trademark for its use “for products or services” in the case of an offense and therefore does not cover the simple use as a company name. As opposed to the Trademark Directive (cf. its Article 5(5)) intended to harmonize national Trademark Law, the Community Trademark Directive therefore does not include any possibility of expanding the protection of the trademark to also include protection against its use in a company name. Moreover, the BGH also established that pursuant to Article 1(2) CTMR an act of infringement in only one

### **BGH: Scope of protection of the Community trademark**

BGH 09/13/2007 (Case no. I ZR 33/05), WRP 2008,  
236 – *THE HOME STORE*

## Trademark Law/ Law on Related Signs

Member State can generally only result in an injunctive relief valid throughout the Community for the trademark holder without it being of consequence whether the infringement is also committed in another Member State. The question being discussed in professional publications as to whether there are any exceptions on how this can be decided if there is no likelihood of confusion in other individual areas within the EU, for example because of language differences, because of a deviating understanding in the market or a different distinctiveness of a trademark, was left unanswered by the BGH.

Furthermore in future, one will need to be even more diligent, in particular, about how claims based on a Community trademark are formulated so that they only include the use of the sign at least also as a trademark, not, however, simply its use as a company name.

**Principle (Excerpt):** The grounds for refusal of protection according to Section 3(2) no. 3 of the Trademark Act are opposed to the protection of a sign as a mark, which consists of the shape of a product only when commerce sees the essential value of the product purely in the aesthetic content of the product's shape, and it can therefore be deemed excluded from the outset that besides its aesthetic effect, the shape can at least serve the function of an indication of origin.

**Comment:** The decision is concerned with the requested trademark protection for the shape of an automobile hood of manufacturer BMW. The Federal Court of Justice of Germany has rightly held that such a component does not confer on the product its essential value only from an aesthetic point of view, which, however, would have been required for the exclusion from protection pursuant to Section 3(2) no. 3 of the Trademark Act. Rather, the utility value of such a hood itself essential for commerce is not completely overridden by the aesthetic value even with especially aesthetically attractive designs. In effect, the German Federal Court of Justice has, however, not granted the front hood protection as a three-dimensional trademark on the grounds that any distinctive character is lacking to the sign, and it purely descriptive (Section 8(2) nos. 1 and 2 Trademark Act). This should be ascribed to the fact that obviously no attainment of a distinctive character by acquisition of secondary meaning as a trademark (Section 8(3) Trademark Act) was asserted by

### **BGH: On the value-conferring shape as grounds for refusal of protection in the case of three-dimensional trademarks**

BGH 05/24/2007 (Case I ZB 37/04), WRP 2008,  
107 - *Fronthaube*

## Trademark Law/ Law on Related Signs

the trademark applicant. Under this premise, it is to be agreed with the decision.

Even though the particular grounds for refusal protection under Section 3(2) of the Trademark Act were clearly limited once again with this decision, the application of product shape trademarks is still difficult, since according to case law they basically have no originally distinctive character. The evidence of attainment of a distinctive character by secondary meaning, which as a rule is only possible through expensive opinion research surveys, thus still remains mostly obligatory.

**Principle:** If a three-dimensional mark which reflects the external shape of the product, is not a combination of customary design elements and in the product area under discussion a nearly boundlessly large number of design options and a corresponding great variety of shapes exist, this speaks against the interest of the general public not to protect the claimed shape as a trademark.

**Comment:** The trademark, whose registration was contested, corresponded in its external shape to a wristwatch. The overall impression of this watch differed significantly from all models otherwise known in the market for wristwatches, even though several design elements used were already previously known. Unlike the court of lower instance (Federal Patent Court), the German Federal Court of Justice rightly considered these several design elements not as isolated and analytically, but rather the form as a whole, which led to the achievement of a unique design, also against the background of the nearly unmanageable multitude of watch designs employed on the market. A pure descriptiveness as grounds for refusal of protection (Section 8(2) no. 2 Trademark Act) was therefore negated.

**Principle (Excerpt):** The evaluation of product similarity pursuant to Section 14(2) no. 2 Trademark Act is not influenced by the fact that the defendant has also used typical features as those in the packages of the plaintiff.

**Comment:** The legal dispute concerned the use of the term “Kinderzeit (“child’s time”) as supplementary to the umbrella brand name “Monte” for a milk dessert. The owner of the word mark/

### **BGH: On the pure descriptiveness as grounds for refusal of protection in the case of three-dimensional trademarks**

BGH 05/24/2007 (Case I ZB 66/06), WRP 2007, 1459 – *Rado-Uhr III*

### **BGH: On the assessment of the similarity of goods in the context of likelihood of confusion**

BGH 09/20/2007 (Case I ZR 94/04), WRP 2007, 1466 – *Kinderzeit*

## Trademark Law/ Law on Related Signs

figurative mark “kinder” (“children”) which is protected among other goods for chocolate and chocolate products, objected to such use. In the context of the review of the likelihood of confusion, the German Federal Court of Justice refers to the fact that contrary to the plaintiff’s view it does not depend for the evaluation of the product similarity on whether the defendant relies on the design of the products of the plaintiff regarding the design of the package. That is to be agreed to. On the question of product similarity it only depends on the type of product and not on its concrete packaging. The packaging design can have an influence at best on the trademark similarity or can be of significance in relation to Competition Law.



**Principle:** A component (here: InterConnect), which indicates the specific product or service in a composite trademark (here: T-InterConnect) in addition to a core component used in a series of trademarks (here: T-), may have an independent distinctive role with even if said component only has little distinctive character. If this component equals an earlier sign, this can lead to likelihood of confusion in the broader sense.

**Comment:** The plaintiff is the owner of a word mark/figurative mark, whose only distinctive component is the word component “INTERCONNECT”. The defendant - Deutsche Telekom AG - used the sign “ T-InterConnect” for identical services.

The German Federal Court of Justice (BGH) affirms an infringement of the trademark from the perspective of likelihood of confusion in the broader sense. It thereby continues developing on the one hand the case-law of the European Court of Justice (ECJ) for trademark usurpation through creation of a new multiple component sign from an earlier mark of a third party and an own company name (THOMSON LIFE judgment) by stating that the principles developed by the ECJ also apply, when the earlier mark of a third party is not added to the infringer’s own company name, but rather to a core component used in a series of trademarks by the infringer. Nothing else is the placement of the core component “T-” (contained in numerous other marks of Deutsche Telekom) before the plaintiff’s mark. On the other hand, the BGH applies the traditional principle of the so-called imprint theory in German Trademark Law to the earlier mark, in that it lets the “usurpation” of the only distinctive word component “INTERCONNECT” of the earlier word mark/figurative mark suf-

### **BGH: The independent distinctive role of trademark components in the case of „trademark usurpation“ (Continuation of the „THOMSON LIFE“ case law of the ECJ)**

BGH 06/28/2007 (Case I ZR 132/04), WRP 2008, 232 - *INTERCONNECT/T-InterConnect*

## Trademark Law/ Law on Related Signs

face in the newly generated composed sign by Telekom, and connects this traditional German approach informally with the THOMSON LIFE doctrine of the ECJ. It is shown therein that contrary to the expectations expressed by different sides, the THOMSON LIFE case-law of the ECJ does not supplant the imprint theory of the BGH, but rather supplements it.

The decision of the BGH adds to the possibilities for violation of a third party's mark by a further variant. In trademark researches it will in any case have to be paid attention to in the future whether several components of the sign stipulated in the application are already protected as marks for a third party (either in their unique position or at least as the only distinctive component of a multiple component sign), and if the remaining components of the sign stipulated in the application are either the company name or a core component used in a series of trademarks by the client. The same (i.e. likelihood of confusion) can be the case according to a decision of the Higher Regional Court of Hamburg (Decision of 01/31/2007 (Case 5 U 110/06), MD 2007, 545 - automobil OFFROAD), if a component the commerce knows as an umbrella brand name or as a series-work title of the violator is added to a third party's earlier trademark to create a newly composed sign; also this must therefore be observed in the future when conducting a trademark research.

**Principles (Excerpt):** Authorized users of a geographical designation of origin, in addition to those mentioned in Section 8 (3) of the Act Against Unfair Practices, are entitled to sue for injunctive relief pursuant to Section 128 (1) Trademark Act.

Authorized users of a geographical designation of origin, which is used for services, are only those persons, whose business is located in the area identified by the geographical designation of origin and perform their services from there.

**Comment:** The parties offer respective language courses, in which the plaintiff uses the identification "Cambridge Institut" and the defendant the identification "The Cambridge Institute." Unlike the defendant, the plaintiff runs an official testing center for taking the world-renowned language examinations developed and organized by Cambridge University. The plaintiff takes issue with the use of the geographical origin specification "The Cambridge Institute" by the defendant, as there is no such a relation to Cambridge University.

### **BGH: On the right to sue in the case of rights against use of a geographical designation of origin**

BGH 06/28/2007 (Case ZR 49/04), WRP 2007, 1200 – *Cambridge Institute*

## Trademark Law/ Law on Related Signs

The German Federal Court of Justice (BGH) initially states that nothing has been changed by the 2004 amendment of Section 128 of the Trademark Act in that, beyond the wording of the provision, also all authorized users of a geographical origin specification have a right to sue for injunctive relief against the use of this specification by third parties. Thereafter, the BGH denies the character as authorized user for the plaintiff, because his firm is itself not based in Cambridge and does not perform its services from there. The fact that he is entitled to take the examinations developed by Cambridge University changes nothing in this regard since otherwise Cambridge University could virtually issue a license for the geographical origin specification by awarding this authorization. The licensing of geographical origin specifications is, however, impermissible according to the unanimous view.

**Principle:** The uninterrupted transit of goods, which have been marked abroad with a trademark protected in Germany, through the area of the Federal Republic of Germany represents as such no violation of the domestic trademark (following the European Court of Justice (ECJ), 11//9/2006 (C-281/05), GRUR 2007, 146 – *Montex Holdings/Diesel*).

**Comment:** Following the decision of the ECJ on a related issue, the German Federal Court of Justice held that the mere transit of goods through the Federal Republic of Germany does not equate to putting these goods into circulation in Germany and for this reason represents no relevant act of use under Trademark Law. However, it may be different, if there are concrete discernible indications that a part of the goods - possibly in violation of Customs Law - are to be distributed in Germany. However, no such indications existed in this dispute.

**Principle (Excerpt):** The principle that with the violation of an intangible protective right up to the legally binding decision concerning the claim for damages one of three possible modes of computation can be selected from is to be concretely narrowed down such that the injured party loses this right to choose, when, with respect to his claim for damages, it has

### **BGH: On the issue of domestic trademark infringement with mere transit**

BGH 03./21/2007 (Case I ZR 246/02), WRP 2007, 1185 - *DIESEL II*

## Patent Law

### **BGH: On the mode of computation of a claim in case of infringements of intangible protective rights**

BGH 02/15/2007 (Case X ZR 60/06), GRUR 2008, 93 - *Zerkleinerungsvorrichtung*

## Patent Law

already been decided, without the right of recourse, in his favor according to one mode of computation.

**Comment:** In German Federal Court of Justice (BGH) case-law it has been acknowledged for a long time that the owner of the violated intangible protective right may also still exercise his right to choose the mode of computation of claim (computation by means of lost profits, of a license fee or of the profits of the violator) during the ongoing payment claim proceeding.

The BGH now decided restrictively that, as soon as a judicial decision according to one of the three modes of computation is issued, an exercise of the right to choose is only possible when the injured party himself has filed an appeal of the decision. The BGH does not have a cross appeal of the injured party suffice for the maintenance of his right to choose. The BGH bases its decision on the fact that the right to choose of the injured party assumes that the settlement of the claim for damages is still unsettled in the view of the defendant. However, according to the judgment of the BGH, a final provision regarding the mode of computation of damages had been made from the defendant's perspective by a waiver of the filing on the part of the injured party or by the abandonment of an appeal. The defendant would have to be able to prepare for and rely on the amount of the future claim for indemnification in this case.



**Principle (official and unofficial):** If several characteristics describe the embodiment of an invention, and only one is included in the patent claim, and which indicates the technical effect targeted with the embodiment, no impermissible expansion results therein, if another means for attaining the same effect is not disclosed.

If several characteristics mentioned in the description of an embodiment provide the more detailed design of the invention placed under protection, which promote the result attained by the invention on its own, but also jointly, it is in the owner's discretion, whether he limits his patent by the inclusion of several or all of these characteristics; in this respect, no instructions may be given to the patentee.

**Comment:** Revisions of the patent claims in the opposition or nullity proceedings may neither lead to an expansion of the

### **BGH: Revision of the patent claims in the opposition and nullity proceedings**

BGH 10/16/2007 (Case X ZR 226/02), MittPatAnw 2008, 78 – *Sammelhefter II*

## Patent Law

subject matter of the application nor to another taking the place of the filed invention. However, in this decision the German Federal Court of Justice clarifies that the applicant or patentee, who would only like to protect a certain embodiment of the filed invention, is not compelled to include all characteristics of this embodiment in the claim. However, this does not mean that the patentee may combine individual elements of an embodiment in the patent claim at will. Rather, in its entirety, the combination would have to represent a technical doctrine, which in the view of the person skilled in the art would be able to be inferred from the original application documents as a possible design of the invention. Otherwise something would be claimed, which in contrast to the filed invention represents an aliud and therefore is an impermissible expansion.

**Principle (Excerpt):** The regulation of the „positive publication freedom“ of the university professor in Section 42 No. 1 of the Employee Invention Act (ArbnErfG) does not violate Article 5(3) of the German Basic Constitutional Law.

**Comment:** This decision was issued against the following legal background: Prior to 2002, inventions of professors, lecturers and scientific assistants were regarded as “free inventions”. The right of disposal and the exploitation right to these inventions rested in principle with these professors. During a revision of the Employee Inventions Act which entered into force in 2002, this “university professor privilege” was abolished. Since that time all inventors who make their invention in the course of teaching or research activities must in principle announce this to their employer, to the university. The university is then entitled claim on the invention, to file it for a patent or for a utility patent, and to make use of it where applicable. For professors and lecturers the specialty exists that they can continue to publish their invention in spite of the notification requirement (for example, by publication or lecture). However, the precondition is that they notify their employer in principle at least two months prior to its publication and thus give the employer the opportunity to file the invention for a patent or for a utility patent prior to publication (“positive publication freedom”). A publication is thus only permissible after prior notification, whereby an announcement of the invention is necessarily connected at the same time.

## Employee Invention Law

### **BGH: Abolition of the university professor privilege for employee inventions**

BGH 09/18/2007 (Case X ZR 167/05), GRUR 2008, 150 – *selbststabilisierendes Kniegelenk*

## Employee Invention Law

However, the professor or lecturer is free to decide if he would like to publish his invention at all. If he decides against doing so, he also has no notification requirement towards the university (“negative publication freedom”).

The German Federal Court of Justice now decided that the positive publication freedom of professors, which imposes on the latter a notification requirement prior to publication of their invention, does not infringe upon the scientific freedom in Article 5(3) of the Basic Constitutional Law. The notification or the disclosure requirement does not bar a professor from freely deciding on the publication of this knowledge. Through the waiting period regulated in the Employee Inventions Law of, in principle, two months, a publication by the professor would merely be deferred. With the existence of special circumstances the two-month waiting period could also be reduced.



**Principles:** A sales promotion of products, which are usually acquired by adults, is not unfair pursuant to Sections 3, 4 no. 1 of the Act Against Unfair Practices, because it creates a desire to purchase amongst children and adolescents and influences them to induce their parents into purchasing products.

In contrast, an unreasonable exertion of influence on the freedom of decision-making by parents and legal guardians consists of children and adolescents being targeted in the context of a sales campaign which capitalizes on peer pressure where school classes are deployed as so-called “purchase motivators”.

**Comment:** The defendant, a manufacturer of breakfast cereals, carried out a sales campaign, in which students were asked to collect and jointly hand in token coins (so-called “Tony talers”) via their class teacher, in order to redeem them for sporting goods for their school such as skipping ropes, balls or a basketball facility. The Tony talers were included with some of the defendant’s breakfast products, but alternatively could be ordered by telephone via a telephone number at the user’s expense or be acquired by participation in a game of skill on the Internet.

The German Federal Court of Justice (BGH) initially stated in its decision that the fact alone that sales promotion creates a

## Competition Law

### **BGH: On the exertion of unobjective influence on the purchase decision by peer pressure**

BGH 07/12/2007 (Case I ZR 82/05), WRP 2008, 214  
- *Tony Taler*

## Competition Law

desire in children or adolescents to purchase is not yet sufficient to subjectively influence the freedom of decision-making of the average legal guardian, solely relevant under Competition Law, because as a rule rational legal guardians are able to confront their children over their purchasing desires. Rather, it requires the existence of additional special circumstances, which the BGH affirmed to be present. Through the sales campaign in the matter in dispute, peer pressure also involving the authority of the teacher was targeted and built up among the students addressed, which even the legal guardians called upon to make the purchase decision could scarcely resist if they did not want to create the impression that they lacked a sense of community with the school. The alternative possibilities, to order Tony talers by calling on the fee-based hotline or to acquire them on the Internet, would not significantly reduce this subjective purchase pressure since these alternative possibilities also promoted the defendant's competition and furthermore according to the experience of life it could be assumed, that all three methods offered would be used in order to attain the highest possible number of talers.

**Principle of the editorial office:** The sales promotion with a rebate requires that the non-rebated price was asked for shortly prior to the sales promotion campaign since otherwise the danger of deceiving the customer exists.

**Comment:** A furniture dealer had advertised an “XXL-Weekend” and for this reason, in the view of the court, had created the impression that it would grant a very special rebate in the time period of the XXL-Weekend. In fact, the dealer had already been granting a rebate of the same amount for over three months. Thus, according to the Higher Regional Court of Cologne, the customer was deceived since the higher price had no longer been requested for a long time prior to the now specifically advertised “XXL-Weekend” sales promotion campaign.

**OLG Cologne: Sales promotion with rebates is only permissible when the earlier price was also promoted directly prior to the price markdown.**

OLG Cologne 02/152008 (Case 6 U 140/07), FD-GewRS 2008, 254182

## Competition Procedure Law

### **OLG Cologne: No reimbursement of costs for warning after obtaining a „drawer injunction“**

OLG Cologne 12/07/2007 (Case 6 U 118/07), WRP 2008, 379

**Principle:** Section 12(1) of the Act Against Unfair Practices only governs the compensation for the costs of pre-judicial warnings. The regulation provides no basis for a claim for warning costs, which only accrue after the issue of an appropriate preliminary injunction.

**Comment:** Just as the Higher Regional Court (OLG) of Munich already before, OLG Cologne also now denies the reimbursement of costs of a warning, which occurred only after obtaining a so-called “drawer injunction”. With this procedural tactic, a preliminary injunction is initially obtained, but is then only served on the opponent and thereby made known when the latter does not comply with the warning only expressed after the issue of the preliminary injunction. On this issue, OLG Cologne explains in its decision, Section 12(1) sentence 2 of the Act Against Unfair Practices would be applicable according to its wording only to warnings prior to the initiation of a judicial proceeding. Moreover, the costs of a warning only expressed after the issue of a preliminary injunction would not be “required” in the meaning of the regulation so that its analogous application, just as a claim based on conduct of business without mandate (Sections 677, 683, 670 BGB) will not apply.

Whoever wants to use the advantages of a drawer injunction must thus make the assumption that he will most likely have to bear the costs of the subsequent warning in the future. If an adequate cease and desist declaration is issued at the warning, the danger of recurrence is moreover inapplicable and thus the basis of the preliminary injunction, so that the plaintiff who sought the injunction also remains burdened with the costs of the injunctive proceeding. The drawer injunction is provided in all cases for the above reasons, in which the question of costs are of less importance than the tactical and procedural advantages associated with it.

## Copyright Law

### **OLG Düsseldorf: Copyright infringements in Usenet are not always to be attributed to the provider**

OLG Düsseldorf 01/15/2008 (Case I-20 U 95/07)

**Principle of beck-aktuell editorial office:** A Usenet provider, if approached as merely a cache provider, is not obligated to constantly check the Usenet as to whether a contribution violates the copyrights of a third party.

**Comment:** In the preliminary protective relief proceeding, a German music records manufacturer filed for injunctive relief

## Copyright Law

against a commercial Usenet provider. A Usenet provider offers access to a certain internet service, whereby information can be exchanged amongst newsgroups. Data files can also be transferred via such messages. The present case concerned a musical piece in mp3 format transferred via such a message.

The court ruled that the Usenet provider was not liable for the fact that corresponding musical titles are exchanged via his network. It acknowledged a copyright infringement, but as a so-called cache provider pursuant to Section 9 of the German Telemedia Act (TMG) the provider would have significantly fewer opportunities to stop a violation than a host provider pursuant to Section 10 TMG. Added to this in the present case was that the music records manufacturer itself had also had an opportunity to remove the corresponding musical piece from the network. It would therefore not be reasonable for the Usenet provider to check the contents provided on its network and to remove material protected by copyright law where appropriate. Moreover, such close monitoring would not at all be economically possible for the possible abundance of violations which could be expected. Therefore, the music records manufacturer was not entitled to injunctive relief.



**Principle of NJOZ editorial office:** On the question of whether a product challenged on the basis of a design patent right does or does not awaken in the informed user another overall impression, the design patent - not the product based on the design patent - is to be contrasted with the affected product in the immediate comparison. Unlike in Trademark Law, it is not a matter of a likelihood of confusion from the indistinct memory image of the average customer, who is informed, rational and adequately attentive to the situation. Therefore, the results of commercial surveys in which a product based on the design patent and the pattern of injuries have not been presented simultaneously, but rather successively to the persons polled, have at best circumstantial meaning for the evaluation under design law. Also the "informed user" may determine the design differences within the meaning of the Design Patent Law, which would be missed by the normal customer.

## Design Patent Law

### **OLG Hamburg: Who is an „informed user“ within the meaning of Section 38(2) of the Design Patent Act (GeschmMG)?**

OLG Hamburg 12/20/2006 (Case 5 U 135/05),  
NJOZ 2007, 3055

## Design Patent Law

**Comment:** The protection of a design patent extends pursuant to Section 38(2) of the Design Patent Act to every design, which awakens no other overall impression in the informed user. The Higher Regional Court of Hamburg has once again clarified in this decision that with the concept of “informed user” neither a design expert nor the more or less transient customer is meant. Rather, it is to be applied to a potential recipient who would have a certain degree of expertise or a certain design consciousness and who would pay attention to the design in the respective area.

Unlike in trademark law, where on the question of whether two opposite signs are able to be confused, it is regularly geared to the view of the average customer, the case law in the area of design patent law requires a higher degree of specialized knowledge in the applicable target group.



**Principle:** An order to reply may not yet be allowed if a “not implausible interpretation” in the determination of an obscure statement yields content that may be replied to.

**Comment:** According to Federal Constitutional Court (BVerfG) case-law, as a basic principle, a cease and desist claim exists against ambiguous statements at which one of the (not implausible) interpretation alternatives violates the personal rights of the person concerned since the person making the statement can be expected to express himself unambiguously and correctly in future (cf. on this issue Newsletter IP•IT•Media, July 2006 issue, p. 14). However, just as in claims for compensation of damages, this does not apply to the right of reply, as the Federal Constitutional Court (BVerfG) has now decided. Accordingly, content that is solely the result of “not implausible” interpretation of the objected statement will not give rise to a right of reply. Thus, there is only a right of reply against obscure (i.e. “read between the lines”) statements if the reader cannot help but consider these as irrefutable conclusions to be drawn. The reason for this adjudication lies in the prevention of unduly limiting the freedom of the press by the rampant proliferation of reply obligations due to complex and not yet exhaustively researched reporting and of keeping the press, by intimidation, from investigative reporting as a result.

## Press Law

### **Federal Constitutional Court (BVerfG): The right of reply in the event of ambiguous statements**

BVerfG 12/19/2007 (Case 1 BvR 967/05), WRP  
2008, 343

## Case Law News Ticker – Principles and Comments **Pharmaceutical Law/ Foodstuffs Law**

### **On the missing pharmaceutical characteristic of a garlic preparation in capsule form**

ECJ 11/15/2007 (Case C-319/05), WRP 2008, 87 -  
*Knoblauchpräparat*

**Principle:** The Federal Republic of Germany violated its obligations under Articles 28 EC and 30 EC by classifying as pharmaceutical a garlic preparation in capsule form which did not come within the definition of pharmaceuticals within the meaning of Article 1(2) of Directive 2001/83/EC of the European Parliament and of the Council of 6 November 2001 on the Community code relating to pharmaceuticals for human use.

**Comment:** The reason for these infringement proceedings was the refusal of a company's petition to obtain an import and marketing authorization for a garlic preparation with the natural active substance allicin (3.7 mg/capsule) in capsule form by the Federal Ministry of Health. Grounds for the refusal were that the product was not a foodstuff, but a pharmaceutical.

In its judgment, the European Court of Justice disagreed with this opinion. It held that it was not a pharmaceutical by presentation since the image of a garlic plant alone on the packaging and the product offered for sale being in capsule form would not be sufficient. The product could not be classified as functional pharmaceutical, either, since neither its substances nor its effects on physiological functions and its possible side effects would differ from the ones achieved through consumption of garlic in its natural form in reasonable quantities. Accordingly, it could not be assumed that there was a "significant" effect on the way in which human metabolism functions with the consequence that a pharmacological effect sufficient for classification of the product as pharmaceutical was not given.

The question if a preparation has solely the same ingredients and effects on human metabolism as a foodstuff in its natural form is of material importance for the distinction between nutritional supplements and pharmaceuticals.

## **Media Law**

### **ECJ: On the disclosure of electronic communication data for the enforcement of intellectual property rights**

ECJ 01/29/2008 (Case C-275/06), GRUR 2008, 241  
- *Promusicae/Telefónica*

#### **Principle of the editorial office:**

Current Community law does not obligate the Member States to provide a duty to disclose personal data with a view to the protection of intellectual property (here specifically: copyright). However, they are obligated to strike a fair balance between the various fundamental rights concerned when transposing the directives in national law.

## Media Law



**Comment:** The proceedings were based on a dispute between a Spanish copyright association and a Spanish telecommunications company on the disclosure of personal data in the context of civil proceedings on the prosecution of copyright infringements by users of the telecommunications company. The European Court of Justice (ECJ) ruled that the existing directives concerning the enforcement of intellectual property do not require the Member States to create an obligation for telecommunications companies to communicate personal data in the context of civil proceedings. However, when enacting national legislation, the Member States would have to take care that a fair balance be struck between the rights of the rights owners to an effective legal remedy and the right of the potential infringing party to protect its personal data.

Such a situation as decided in the case by the ECJ may also occur in Germany. The German Telemedia Act (TMG) stipulates that telecommunications and electronic media providers may also disclose personal data to the extent to which such is required for the enforcement of intellectual property rights. However, the Telemedia Act is not applicable to telecommunications companies granting Internet access to the respective user. These are only governed by the Telecommunications Act (TKG) which does not stipulate a corresponding provision.



As of March 2008, Heuking Kühn Lüer Wojtek has been the first large independent German law firm to have an office in the Swiss financial center of Zurich. The office will be headed by **Dr. Holger Erwin, M.Jur.** (Oxford). The new Swiss office will restrict its practice to matters of German Law. Key areas are Private Client and, jointly with Swiss law firms, banks and institutions, cross-border advice to Swiss and German clients. The office is in downtown Zurich at Bahnhofstrasse 3.

## Law Firm and Practice Group News

### Heuking Kühn Lüer Wojtek opens office in Zurich

## Law Firm and Practice Group News

### Publications

Members of our Practice Group commented on several international IP treaties for the definitive book in the field, "World Intellectual Property Rights and Remedies", published by CILS – Center for International Legal Studies (Oxford University Press). The updated edition 4/2008 will likely be published at the end of May or the beginning of June 2008. In detail, the following colleagues contributed to the book:

Berne Convention	<b>Dominik Eickemeier</b>
Patent Law Treaty	<b>Anton Horn and Sabine Fiedler</b>
Lisbon Agreement	<b>Susanna Kimmeskamp and Florian Geyer, LL.M.</b>
Brussels Convention	<b>Astrid Luedtke</b>
Locarno Agreement	<b>Thorsten A. Wieland and Dr. Holger Alt</b>

"Negative Feststellungsklage – Rechtsmissbrauch oder Verfahrenstaktik?" ("Negative action for a declaratory judgment - abuse of legal rights or trial tactics?") by **Dr. Verena Hoene, LL.M.**, WRP 2008, pp. 44-47

"Neues Urteil des EuGH zu britischen Must-Carry-Regeln und Ausblick auf das Jahr 2008" ("New ECJ ruling on British must-carry rules and 2008 outlook") by **Michael Schmittmann**, AfP 01/2008 under the heading "Blick nach Brüssel" ("With a View to Brussels"), pp. 46-47

On January 18, 2008, **Dominik Eickemeier** (Cologne) held a presentation on "Authorized Expert and Law - How to avoid stumbling blocks in practice" at the 16th Annual Real Estate Assessment Convention in Fulda, hosted by Sprengnetter Immobilienbewertung. Before an audience of about 440 the issues surrounding, the use of copyrighted works and expert opinions, direct marketing measures, the Internet and reaction to cease-and-desist letters were presented. Subsequently a lively discussion was held on individual issues raised in the presentation.

On April 17, 2008, **Anton Horn** (Düsseldorf) held a presentation on "IP protection in emerging nations - particularities, current trends, outlook" at Industrieclub Düsseldorf in front of an

### Presentations



## Law Firm and Practice Group News

audience of more than 100 well-known personalities. Anton Horn's presentation was part of a seminar on "IP protection in business relations with emerging nations" hosted by the Dispute Resolution Forum Düsseldorf/Cologne (DRF). The presentation concerned defensive aspects (enforcement of intellectual property rights, protection against unfair competition and piracy) and offensive aspects of IP protection (opening up new markets, security of supplier relations). The focus was on countries such as the People's Republic of China, India, Russia, Turkey, Brazil and Malaysia.

This Newsletter does not constitute legal advice. While the information contained in this Newsletter has been carefully researched, it only offers a partial reflection of the law and its developments. It can be no substitute for individual advice appropriate to the facts of an individual case.

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