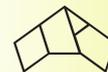


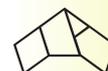
# IP Report

»The Bardehle Pagenberg IP Report«  
2010/I – www.bardehle.com



BARDEHLE  
PAGENBERG  
DOST  
ALTENBURG  
GEISSLER

	Page
<b>Firm News</b>	
BARDEHLE PAGENBERG: Three attorneys reach partner status and a former member of the Enlarged Board of Appeal of the EPO joins the firm as a consultant .....	3
Jochen Pagenberg to be inducted into the IP HALL OF FAME .....	3
<b>Patent Law</b>	
1. Court of Justice of the European Union: Council Regulation (EEC) No 1768/92 does not preclude the grant of a SPC certificate to the holder of a basic patent if one or more certificates have already been granted for the same product (decision of September 9, 2009 – Case C-482/07) .....	4
2. German Federal Supreme Court on the relevance of correctly formulating the objective problem and of supplementary indications for inventiveness (decision of November 11, 2009 – Case Xa ZR 22/06 –Three-seamed tubular foil sachet) .....	5
3. German Federal Supreme Court confirms broad responsibility of forwarding agents for handled goods (decision of September 17, 2009 – Case Xa ZR 2/08 – MP3-player) .....	6
4. European Patent Office (Enlarged Board of Appeal) on the scope of exception to patentability for inventions related to surgery (decision of February 15, 2010 – Case G 1/07 – Treatment by surgery) .....	7
5. European Patent Office (Enlarged Board of Appeal) decides on questions concerning the language regime (decision of February 16, 2010 – Case G 4/08 – Langue de la procedure) .....	8
6. European Patent Office (Enlarged Board of Appeal) on the patentability of second medical use inventions (decision of February 19, 2010 – Case G2/08 – Dosage Regime) .....	9
7. Hamburg Appeal Court: Transit of goods through Germany is not an act of patent infringement (decision of December 29, 2009 – 3 U 242/05 – Transit of DVD-players) .....	11
8. Dusseldorf Appeal Court on the infringement of a method claim in Germany when its features are partially realized abroad (decision of December 10, 2009 – Case I-2 U 51/08 – Method of processing telephone calls) .....	11
<b>Trademark Law</b>	
9. Court of Justice of the European Union: Registration of a slogan as a Community trademark (decision of January 21, 2010 – Case C-398/08 P – Audi AG v OHIM – VORSPRUNG DURCH TECHNIK) .....	13



»The Bardehle Pagenberg IP Report«  
2010/I – www.bardehle.com

**Trademark Law ctd.**

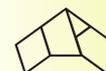
- 10.** Court of Justice of the European Union: Cancellation on absolute grounds – Standing to request cancellation – Descriptiveness – (decision of February 25, 2010 – Case C-408/08 P – Lancôme parfums et beauté & Cie. SNC v OHIM – COLOR EDITION) ..... 15
- 11.** Court of Justice of the European Union: Liability of advertising keyword providers – Liability of purchasers of keywords (decision of March 23, 2010 – joined Cases C-236/08, 237/08 and 238/08 – Google France SARL & Google Inc. v Louis Vuitton Malletier SA et al – GOOGLE ADWORDS) ..... 17
- 12.** German Federal Patent Court: European Court of Justice’s doctrine of neutralization does not apply to national trademarks (decision of April 21, 2009 – 24 W [pat] 37/08 – Xxero/Zero) ..... 19

**Design Law**

- 13.** General Court: Three key lessons from the Court’s first decision on validity of a registered Community design (decision of March 18, 2010 – Case T-9/07 – Grupo Promer Mon Graphic SA v OHIM and PepsiCo Inc) ..... 20
- 14.** OHIM (Board of Appeal) again invalidates Community design for being solely dictated by its technical function (decision of November 12, 2009 – R 1114/2007-3 – Packaging for foodstuffs) ..... 22

**Domain Name Law**

- 15.** Munich Appeal Court on the liability of “domain name parking” platforms (decision of August 13, 2009 – Case 6 U 5869/07 – Domain name parking) ..... 23



BARDEHLE  
PAGENBERG  
DOST  
ALTENBURG  
GEISSLER

**BARDEHLE PAGENBERG** is pleased to announce that, as of January 2010, three attorneys have reached partner status and one former member of the Enlarges Board of Appeal of the EPO joined our firm as a consultant.

**Stefan Steinbrener**, Dr. rer. nat., Dipl.-Phys., was a member of the Enlarged Board of Appeal and chairman of the Board of Appeal 3.5.01 (Electricity I) of the European Patent Office in Munich, which deals with appeal cases relating to computer-implemented inventions. After his retirement from the EPO at the end of 2009, Dr. Steinbrener joined the firm as a consultant.

**Thomas Friede**, Dr. rer. nat., Dipl.-Biochem., German and European Patent Attorney, practices prosecution and licensing of patents, opposition and appeal proceedings before the EPO; nullity proceedings and patent infringement litigation, and renders opinions on the validity and the scope of patents. He specializes in gene technology, biochemistry, molecular biology, gene therapy, cell biology, immunology, virology, pharmaceutical and organic chemistry, DNA arrays, medical devices and chemical engineering. He has been with the firm since 2004.

**Christof Karl**, Dr. iur., LL.M. (GWU), can handle both the legal and technical aspects of patent litigation on the basis of his unusual multiple qualifications as German attorney-at-law (Rechtsanwalt) and US attorney-at-law (N.Y. Bar), as German patent attorney and computer scientist. His main legal practice encompasses prosecution and litigation of patents. He has worked for a number of clients in the fields of computer software and hardware as well as telecommunications and data protection. He has been with the firm since 2003.

**Tilman Müller-Stoy**, Dr. iur., Attorney-at-Law, advises and represents clients in patent litigation in all technical fields; further in technology-related copyright and unfair competition matters, product imitation and patent-related anti-trust law, in IP-relevant contractual matters and licensing, and in patent vindication and employee inventions law. He is regularly involved in multi-jurisdictional patent infringement actions and in nullity, opposition and cancellation proceedings. He has been with the firm since 2004.



**Jochen Pagenberg** to be inducted into the IP HALL OF FAME



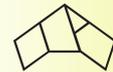
Dr. Jochen Pagenberg, has been selected for induction into the IP Hall of Fame for 2010, following a voting process that involved IP professionals from around the world. This culminated in a final vote by members of the IP Hall of Fame Academy, who are selected from the inductees of previous years. The IP Hall of Fame was created in 2006 by the journal Intellectual Asset Management (IAM) of the IP Media Group to award personalities from politics, judges and lawyers, scientists and inventors of technology, who have played a major role in the creation of today's IP system. Inductees into the IP Hall of Fame are chosen for their outstanding contribution to the development of IP law and practice.

For more information visit:  
[www.iphalloffame.com](http://www.iphalloffame.com)

Among Dr. Pagenberg's many past achievements and ongoing engagements may be mentioned: Expert of the Working Party for the European Patent Litigation Agreement (EPLA); Member of the Expert Group of the European Commission for the EU patent court system; President of the European Patent Lawyers Association which is contributing to the work for the establishment of a European and EU patent court as advisors of the Commission and by organising conferences all over Europe; chairman of the AIPPI Special Committee on European patent litigation; and not least his relentless publication activities resulting in some 80 articles, six books (such as "License Agreements" now in its 6th English/German edition, with English/Chinese and English/Korean versions having been published recently) as well as lecturing activities at academic institutions in Europe and the U.S.

BARDEHLE PAGENBERG is the only law firm with several of its members having been honoured with this position, one of them being Dr. Alexander von Mühlendahl, former Vice President of OHIM in Alicante.

This year's inductees into the IP Hall of Fame will be honoured at a gala dinner on 21st June 2010 during the IPBC Conference in Munich.



**1. The Court of Justice of the European Union rules that Article 3(1)(c) of the Council Regulation (EEC) No 1768/92 does not preclude the grant of a supplementary protection certificate to the holder of a basic patent if one or more certificates have already been granted for the same product (decision of September 9, 2009 – Case C-482/07)**

**The Court of Justice of the European Union states that Article 3(1)(c) of Council Regulation (EEC) No 1768/92 of June 18, 1992 concerning the creation of a supplementary protection certificate (SPC) for medical products in conjunction with Article 3(2) second sentence of Council Regulation (EEC) No 1610/96 of July 23, 1992 concerning the creation of a supplementary protection certificate for plant protection products does not preclude the grant of a certificate to the holder of a basic patent for a product for which, at the time of submission of the application for a certificate, one or more certificates have already been granted to one or more holders of one or more other patents.**

On September 9, 2009, the Court of Justice had to decide on the interpretation of Article 3(1)(c) of Council Regulation (EEC) No 1768/92. At the beginning of the published decision, reference was made to the recitals of this Regulation. Here it is stated that the aim of Regulation (EEC) No 1768/92 is to give companies which develop and distribute pharmaceuticals the possibility to get back their investments spent in the research and development phase.

Subsequently, after Regulation (EEC) No 1768/92, Council Regulation (EEC) No 1610/96 was issued. This Regulation, although issued for plant protection products, refers to Regulation (EEC) No 1768/92. In the recitals it is stated that Article 3 paragraph 2 applies mutatis mutandis to Article 3 of (EEC) No 1768/92. According to that, if two or more applications of two or more applicants are pending for the same product, each applicant can be granted an SPC. Thereby, Article 3 paragraph 2 refers only to those cases in which two or more applications of two or more applicants are pending. So the Court of Justice had to decide on whether a grant of an SPC is possible,

even if an SPC has been granted to another applicant before.

The Court of Justice points out that the prerequisite for the grant of several SPCs to different applicants is that applications by different applicants have been filed. Sentence two, so the Court of Justice, of Article 3 paragraph 2 of (EEC) No 1610/96 does not presuppose that the other applications are pending. A justification for this is seen in the fact that in the Italian edition of Regulation (EEC) No 1610/96, the term “pending” is not cited.

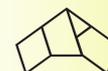
Moreover, if the grant of an SPC to one or more applicants depended of the fact that an SPC had not been granted before for the same product, this would result in a preference of selected applicants. The possibilities of getting an SPC would depend on prerequisites beyond the influence of the applicant. As a consequence, the possibilities of Article 3 paragraph 2 of Regulation (EEC) No 1610/96 to give an SPC to two or more applicants would be substantially restricted. This would be critical insofar as the applicant had no influence on the duration of the granting procedure, however, this duration had an influence on his possibilities of getting an SPC granted.

Finally, this interpretation of Article 3 paragraph 2 of Regulation (EEC) No 1610/96 would be contrary to Recitals 6 and 7 of Regulation (EEC) No 176/92, which aims at a harmonization of free movement of goods in the Community. A different processing time in different states would result in a splitting of the Community market into different national markets.

All in all, the Court of Justice answers the question raised: Regulation (EEC) No 1768/92 in conjunction with Article 3 paragraph 2 of Regulation (EEC) No 1610/96 has to be interpreted in that it does not preclude the grant of an SPC for a product, for which, at the time of submission of the application for an SPC, one or more SPCs have been already granted to one or more holders of one or more other basic patents.



Reported by  
Dr. Christopher Brückner



**2. German Federal Supreme Court: on the relevance of correctly formulating the objective problem and of supplementary indications for inventiveness (decision of November 11, 2009 – Case Xa ZR 22/06 – Dreinahtschlauchfolienbeutel/three-seamed tubular foil sachet)**

**When defining the technical problem the invention is trying to solve one also has to take into account specifications provided by a customer to the skilled person. These specifications are part of the problem and not of the solution. Supplementary indications for inventiveness (here: commercial success) can by themselves neither replace the necessary inventive activity nor can they justify the same. They may merely in individual cases give an incentive to consider known solutions particularly critical in view of their relevance for the obviousness of the invention.**

In the decided case, the German part of a European patent was attacked in a post grant nullity procedure for alleged lack of inventiveness. The attacked main claim of the European patent relates to a tubular foil sachet containing an individual dose of a medical product intended for the direct oral use by a patient. To facilitate the direct oral ingestion of the medical product from the foil sachet, the same is provided in form of a three-seamed tubular foil, wherein a lengthwise seam is formed as a particular flat seam. In the prior art, a number of different seaming forms were known, and the seam demanded by independent claim 1 is in particular suitable for a direct oral use of the foil sachet, since it can be opened without producing any sharp edges. Accordingly, the patent-in-suit mentions as the objective problem to be solved to provide a foil sachet for medication which facilitates the direct oral consumption by a patient. Based on this objective problem, however, the combination of the teachings of two prior art documents cited in the nullity procedure was undisputedly obvious: The first document discloses the use of a three-seamed tubular foil sachet for medication and the second document disclosed the particular flat seam required by claim 1 with the additional information that such a flat seam can be opened without producing any sharp edges.

However, the patent proprietor defended the patent by arguing that the objective problem mentioned in the patent-in-suit was not correctly formulated since at the priority date of the patent-in-suit the skilled person,

an engineer working in the field of packaging technology, was not aware that patients tend to consume the medication directly out of the foil sachet. Therefore, the objective problem already contained parts of the solution, namely the demand to make the direct consumption of the medication out of the product more convenient.

In consistency with prior decisions, the Federal Supreme Court accepted the legal starting point of the patent proprietor's argument and found that, when formulating the objective problem a patent is trying to solve, no parts of the solution may be incorporated or mentioned therein.

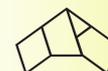
However, the Federal Supreme Court did not assume such situation in the present case by finding that the objective problem was correctly formulated by the patent-in-suit, i.e. would not comprise parts of the solution: even if one would assume that the skilled person – who was not a pharmacologist – was not aware of the demand to facilitate the direct consumption of the medication out of the sachet, this would have been part of the specification given to him by the customer. Therefore, this demand or requirement provided by the customer is indeed a part of the objective problem and not a part of the solution thereof. As a result, the Federal Supreme Court found the patented solution to be obvious in view of the mentioned prior art references.

Thus, when defining the technical problem, the invention is trying to solve, one has not only to consider the knowledge of the skilled person, but also requirements posed by his customer, if applicable.

The Court further confirmed the well established practice that supplementary indications for inventiveness can by themselves neither replace the necessary inventive activity nor can they justify the same. Such supplementary indications are for example commercial success, as in the decided case, or if the invention fulfills a long-felt need. Such indications may merely in individual cases give an incentive to consider known solutions particularly critical in view of their relevance for the obviousness of the invention.



Reported by Joachim Mader



BARDEHLE  
PAGENBERG  
DOST  
ALTENBURG  
GEISSLER

**3. German Federal Supreme Court confirms broad responsibility of forwarding agents for handled goods; increased requirements to examine compliance of handled goods with German patent law (decision of September 17, 2009 – Case Xa ZR 2/08 – MP3-player import)**

**The plaintiff is an exclusive licensee of patented mp3-player technology. The defendant, an international forwarding agent, has imported patent-infringing mp3-players from China on behalf of his client. These mp3-players were confiscated on the plaintiff's request by the German customs authority. Subsequently, the plaintiff requested to have the infringing goods destroyed. The defendant objected to this request, being of the opinion not to be responsible for patent infringement, because forwarding agents had no obligation to examine the compliance of the goods they handle with German patent law.**

According to earlier German case law, forwarding agents were usually regarded as not being obliged to generally examine the compliance of handled goods with German patent law, in view of the great amount of goods handled in international trade. It was, however, not clearly decided, whether there may be exceptions to this rule, and if yes, in which specific situations such an exception may be assumed. On April 30, 2008, the Federal Supreme Court decided in an internet auctioning case (trademarks) that the provider would only be obliged to examine the legitimacy of the handled goods in case of an obvious infringement (Federal Supreme Court I ZR 73/05 I ZR – Internet Versteigerung III/Internet Auction III). On August 15, 2007, the Court of Appeals Hamburg decided, again in a trademark case, that a forwarding agent would only have to examine the legitimacy of the handled goods, if there is a definite acknowledgement of falsification (Court of Appeals Hamburg 5 U 188/06 – YU-GI-OH!-Karten/YU-GI-OH!-Cards).

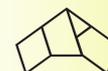
With the present decision, the Federal Supreme Court confirmed the Court of Appeals Düsseldorf's preceding decision that in patent infringement matters, forwarding agents were usually not obliged to examine the compliance of the

handled goods with German patent law, but already mere indications of patent infringement (e.g. seizure by the German customs authority, receipt of a warning letter, and the like) constituted an obligation to evaluate the legitimacy of the goods. The extent of such an evaluation was not definite and was to be determined on a case-by-case basis, depending on the alleged extent and likelihood of patent infringement (principle of reasonableness). As a result, only in case the forwarding agent was aware of potential patent infringement indications and did also not comply with his obligation to evaluate this situation, the patent proprietor was entitled to request the forwarding agent to omit further infringement and to destroy all infringing goods.

With this decision, the Federal Supreme Court strengthens the position of patent proprietors aiming to also attack forwarding agents. The requirements for suing a forwarding agent who directly assists to put infringing goods into the German market, are now clarified. However, the forwarding agent may only be successfully attacked for transporting any patent infringing goods, if the forwarding agent is aware of sufficient indications of patent infringement, e.g. a warning letter or a custom's seizure. In such cases, forwarding agents may then avoid risks of attacks by examining the patent situation. However, in simple cases, e.g. importation of only a few pieces, it could be sufficient for the forwarding agent to comply with its obligations to just refer to its client and to request related instructions in view of the alleged patent infringement.

Reported by Thomas Schachl, LL.M.





#### **4. European Patent Office: Enlarged Board of Appeal decides on scope of exception to patentability for inventions related to surgery (decision of February 15, 2010 – Case G 1/07 – Treatment by surgery/MEDI-PHYSICS)**

##### **Not excluded as surgical treatment are:**

- **insignificant physical interventions**
- **imaging methods to be used during surgery**
- **methods only concerning the internal operation of a device**

Just in time before one of its members retired at the end of February, the Enlarged Board of Appeal of the EPO (EBA) rendered its decisions in the three cases in which oral proceedings had been held in November 2009 (see IP Report 2009/V).

Decision G 1/07 gives the answers to the questions submitted by Board of Appeal 3.4.01 in the referring decision T 992/03 (OJ EPO 2007, 557). The application underlying the referral relates to an imaging method (MRI) for pulmonary and cardiac vasculature using a specific gas delivered to the patient. The gas is inhaled, but can also be injected directly into a region of the heart. According to the description, the claimed method provides real-time feedback during surgery to verify success of the treatment. The Examining Division had refused the application as a diagnostic method and as surgical treatment.

In G 1/07 the EBA reiterates the principle hitherto not contested in EPO case law and confirmed in G 1/04 (OJ EPO 2006, 334 – Diagnostic methods) that a method claim falls under the prohibition of patenting methods for medical treatment under Article 53(c) EPC if it comprises or encompasses at least one feature defining a physical activity or action that constitutes a surgical step. Furthermore, the EBA clarifies a statement in G 1/04 by concluding that surgery is not restricted to physical interventions for a therapeutic purpose, i.e. the exclusion also applies to cosmetic interventions.

As to the degree of a physical intervention necessary for qualifying it as surgery, the EBA, considering the purpose of the exception to patentability, comes to the

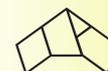
conclusion that excluding from patentability also such methods that make use of in principle safe routine techniques, even if of invasive nature, appears to go beyond the purpose of the exclusion from patentability (of treatments by surgery) in the interest of public health and states that the definition given in opinion G 1/04 that “any physical intervention” on the human or animal body is a method of surgery within the meaning of Article 52 (4) EPC 1973 corresponding to Article 53 (c) EPC 2000 appears too broad.

Turning to the type of invention underlying the referral, the EBA holds that a physical intervention on the body which requires professional medical expertise to be carried out and which entails a substantial health risk, even when carried out with the required professional care and expertise, is excluded from patentability as a surgical method.

However, the EBA refrains from trying to redefine the meaning of the term “treatment by surgery” to give a definition which would, once and for all, also delimit the exact boundaries of such a new concept with respect to the whole comprehensive body of technical situations which might be concerned by it. Rather, a new concept has to be developed by first instance bodies and Boards of Appeal in a new direction that the exclusion should not be applied to methods in respect of which the interests involved do not call for their exclusion from patentability.

As regards the question whether or not the legal consequences of the exclusion may be avoided by amending the claim so as to omit the surgical step, or disclaim it, or let the claim encompass it without being limited to it, the EBA, again considering the context as well as the object and purpose of Article 53 (c) EPC, excludes the latter possibility, noting that gaps in the protection of eligible subject-matter are deliberately accepted in order to free from restraint non-commercial and non-industrial medical activities. This confirms previous case law and distinguishes G 1/98 (OJ EPO OJ EPO 2000, 111 – Transgenic Plant/NOVARTIS II).

The possibility of a disclaimer is accepted if the amended claim fulfils the requirements for patentability and the conditions for a disclaimer as defined in G 1/03 (OJ



EPO 2004, 413 – Disclaimer/PPG). In this context, G 1/07 does expressly abstain from taking position in respect of the question answered in the affirmative in T 1107/06 of December 3, 2008 whether subject-matter may be disclaimed which was disclosed as an embodiment of the invention in the application as filed, stating that the referral is, as a whole, directed to a totally different and unrelated issue.

Whether a surgical step may be omitted has to be decided on the basis of Article 84 EPC requiring that a claim should explicitly specify all of the essential features needed to define the invention. According to the Board, this decision can only be taken on the basis of the assessment of the individual invention. However, the EBA mentions a typical class of cases in which the invention would be fully defined without requiring the presence of the potentially surgical step as a positive feature of the claim. These are cases in which the invention only concerns the operating of a device without any functional link between claimed method and the effects produced by the device on the body. In this context, inter alia decision T 245/87 (ABI. 1989, 171 – Flow measurement/SIEMENS) is cited as an example, relating to an implanted device.

The specific aspect of the invention underlying the referral that the claimed imaging method may be used in the course of a surgical intervention does not preclude the imaging method from being claimed per se. Even if used during a surgical intervention, this does not alter the character of the imaging method of not being a surgical step in itself.

At first glance G 1/07 may be seen as being relevant only to a very specific class of inventions. However, the practice of the departments of first instance has used the exclusion for surgical methods for objections to many inventions not related at all to activities of medical practitioners. The main tools were to consider minimal interventions as surgical steps following T 182/90 (OJ EPO 1994, 641) and ignoring more recent case law cited in G 1/07 and to add to the features of the claims additional steps which the examiners alleged to be implied by the disclosed invention. It is to be hoped that G 1/07 will give the applicants the necessary arguments

to defend applications against objections outside the legislative purpose of the exclusion.

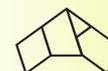
Reported by Dr. Rudolf Teschemacher



##### **5. European Patent Office: Enlarged Board of Appeal decides on questions concerning the language regime in proceedings before the EPO (decision of February 16, 2010 – Case G 4/08 – Langue de la procedure/MERIAL)**

**When entering the regional phase, the PCT-applicant cannot switch from one official language of the EPO to another. In written proceedings, the EPO can only use the language of the proceedings.**

In the case underlying the referring decision J 8/07 (OJ EPO 2009, 216) of the Legal Board of Appeal, the international application had been filed and published in French. When entering the regional phase before the EPO, the applicant's English representative filed an English translation of the application and requested that the language of the proceedings should be English. Its auxiliary request was that the EPO should use English in all written proceedings and decisions. The requests were rejected by the Examining Division and also the Legal Board of Appeal. The preliminary opinion of the Legal Board of Appeal was of the preliminary opinion that the rules on the language of the proceedings were binding on the EPO. However, there was a number of decisions of Boards of Appeal following J 18/90 (OJ EPO 1992, 511) in which a different official language had been used in written proceedings in agreement with or on request by the parties to the proceedings. Thus, the Legal Board of Appeal referred the point of law to the Enlarged Board of Appeal of the EPO (EBA).



The EBA comes to the same conclusions as the Legal Board of Appeal. Decision G 4/08 notes that the applicant, when entering the regional phase, is not in the same situation as an applicant filing a European application directly with the EPO who may freely choose an official language. According to the EBA, such an interpretation would not be compatible with the principle that an international application is equivalent to a European application if the EPO is a designated Office. The requirement that a translation has to be filed, where applicable, means that a translation has to be filed if required, i.e. if the application has not been published in an official language of the EPO.

The analysis of the respective provisions is the same for the EPC 1973 and the EPC 2000 and the travaux préparatoires reveal that no change was intended in this respect by the legislator. This result is not in contradiction to the provisions of the PCT since under Rule 49.2, 3rd sentence, PCT the applicant may choose among several languages if there are several official languages and a translation is required. Thus, a Euro-PCT application which was published in an official language of the EPO cannot be replaced by a translation in another official language of the EPO.

As to the auxiliary request, the EBA notes that the only authority giving reasons for a derogation from the rules governing the language of proceedings in written proceedings is decision J 18/90. However, this decision does not take account of the Rule change in 1991, abolishing in Rule 3 EPC 1973 then in force, the general possibility of changing the language of proceedings on request. At the same time, the right to use another language was given to the parties but not to the EPO. When making this change, the legislator apparently took care of defining the exceptions to the language of proceedings. It is not a task for the case law to reintroduce a possibility intentionally abolished by the legislator. Thus, a request that the departments of the EPO use in their decisions or communications an official language different from the language of the proceedings cannot be allowed.

Reported by Dr. Rudolf Teschemacher

## **6. European Patent Office: Enlarged Board of Appeal decides on the patentability of second medical use inventions, (decision of February 19, 2010 – Case G 2/08 – Dosage Regime/ ABBOTT Respiratory LLC)**

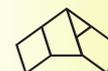
**On February 19, 2010 the Enlarged Board of Appeal rendered its long-awaited decision on the patentability of second medical use inventions, in particular on inventions relating to dosage regimen.**

In the referring decision T 1319/04 by the Technical Board of Appeal 3.3.02 the underlying application was refused by the Examining Division for lack of novelty and lack of compliance with Art. 52(4) EPC1973. The Examining Division argued that the feature of claim 1 relating to a specific drug regimen, i.e. once per day prior to sleep, reflected a medical activity excluded from patentability under Art. 52(4) EPC which could, therefore, not be considered to represent a further medical indication from which novelty can be derived. This decision was appealed by the applicant.

Before the Technical Board of Appeal decided on the case, the EPC2000 entered into force on December 13, 2007 with amendments including the shifting of the exclusion from patentability for methods of treatment by therapy from Art. 52(4) EPC1973 to Art. 53(c) EPC2000. Concomitantly, the patentability of second medical use inventions established by the Enlarged Board of Appeal decisions G1/83 and G5/83 was enshrined into Art. 54(5) EPC. Also in view thereof, the Technical Board of Appeal referred several questions of law to the Enlarged Board of Appeal:

Question 1: Where it is already known to use a particular medicament to treat a particular illness, can this known medicament be patented under the provisions of Art. 53(c) and 54(5) EPC 2000 for use in a different, new and inventive treatment by therapy of the same illness?

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



Question 3: Are any special considerations applicable when interpreting and applying Art. 53(c) and 54(5) EPC?

1. In response to question 1, the Enlarged Board noted that method claims are excluded in order to leave the physician free to act, whereas product claims are allowable provided that their subject-matter is new and inventive. Art. 54(5) EPC2000 now expressly allows further patent protection of substances or compositions already known as medicines provided that their use in a method under Art. 53(c) EPC is specific and not comprised in the prior art. The Board further rejected to interpret Art. 54(5) EPC narrowly, i.e. did not consider the provision to represent a *lex specialis* with respect to Art. 53(c) EPC. The new use within the meaning of Art. 54(5) EPC need not be the treatment of another disease. Novelty and also inventive step can be based on a new indication or one or more steps pertaining by their nature to a therapeutic method which may not be claimed as such.

2. In response to question 2, the Enlarged Board of Appeal accepted that a different dosage regime may serve as a basis for a patentable second medical use claim provided that the dosage regime is new and inventive. However, the Enlarged Board noted that the definition of the dosage regime may not only be verbally different from the prior art but also has to reflect a different technical teaching. Thus, if e.g. the dosage regime represents a particular selection, the pertinent case law with respect to selection inventions applies which requires the demonstration of a particular technical effect over the prior art.

When comparing the scope of protection of the use claims as defined by G5/83 (Swiss type claims) with the new purpose-related product claims as defined by Art. 54(5) EPC2000, the Enlarged Board interestingly noted that the rights conferred on the patentee by the new product claims are likely broader than the Swiss type claims. The Enlarged Board of Appeal stated that this may even lead to restrictions on the freedom of physicians which could, according to the view of the Enlarged Board, be ameliorated on the national level.

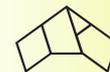
3. In response to question 3, the Enlarged Board of Appeal finally addressed the question whether the Swiss type claim wording formulated as a use claim could still be used after the entry into force of Art. 54(5) EPC2000. It was decided that the Swiss type claims may no longer be used, but that only the purpose-related product claim wording will be acceptable. This decision will have no effect on EP patents already granted and on pending applications, but will be relevant for all EP applications or PCT applications designating EP and filed three months after the publication of this decision in the Official Journal of the EPO.

Remarks:

For practitioners in the field of medical inventions, it may be important to note from this decision that patentable second medical use claims need not define the treatment of a further disease but can also be directed to a new and inventive therapeutic application even if the composition was already known for the treatment of the same disease. Swiss-type claims are no longer available for EP applications or PCT applications designating EP with a filing date or, if priority has been claimed, their priority date being later than three months after the publication of the decision in the Official Journal of the EPO. Instead purpose-related product claims in accordance with Art. 54(5) EPC have to be drafted.

Reported by Dr. Thomas Friede





## **7. Hamburg Appeal Court: Transit of goods through Germany is not an act of patent infringement (decision of December 29, 2009 – 3 U 242/05 Transit of DVD-players)**

**The plaintiff, a well-known Dutch company holding patents essential to the MPEG2 standard, a standard amongst others used for reading DVDs by a DVD-player, requested with the customs authorities the detention of a container full of DVD-players which were shipped from China to Hamburg. The request was granted, the container seized. The DVD-players were intended to be transported directly from the harbour of Hamburg in Germany to a Dutch customer, with customs being declared in the Netherlands.**

The detention of the DVD-players by the customs authorities had been confirmed in a temporary order by the District Court Hamburg, although the defendant argued that the detained goods were only on transit to the Netherlands and that a mere “transit” was not one of the infringing activities set forth in the German Patent Act. The District Court took the position that a transit through Germany had to be considered as the infringing activity of “putting on the market” in Germany. With this decision the District Court disregarded older case law of the Federal Supreme Court according to which the mere “transit” would not constitute a “putting on the market” by arguing that more recent European law would no longer allow for such narrow interpretation of the German Patent Act. Namely, EC regulation 3295/94 allowed the customs authorities to detain goods on transit (see European Court of Justice, judgment of April 6, 2000 “Polo/Lauren”, C-383/98) if a national patent is infringed. The District Court considered this EC regulation to be contradictory and superfluous if the mere transit could not constitute a patent infringement according to national law. Therefore, the German Patent Act would have to be interpreted in a way that mere transit could be an act of infringement so that a detention of goods by customs authorities on transfer was legal if the goods fulfilled all the features of the asserted claim of a patent.

The decision of the District Court was lifted by the Appeal Court following the

argument of the defendant that the wording of a legal provision is the limit of any interpretation. Literally, “putting on the market” would not correspond to “transportation”. “Putting on the market” required that the goods have to be part of the internal commerce or sales traffic. Also the European understanding of the term “putting on the market” in the European Court of Justice judgements C-405/03 of October 18, 2005 – “Class International/Colgate Palmolive” and C-281/05 of November 9, 2006 – “Montex Holdings Ltd/Diesel SpA” did not cover cases of mere transit. Hence, the interpretation of “putting on the market” in a way that it also included pure transit would go beyond the limits of interpretation. The interpretation by the District Court was, moreover, not necessary to put German law in line with European law. Since the Appeal Court did also not establish that the alleged transfer would in fact only be a pretence of the defendant for sales in Germany, the Appeal Court lifted the District Court’s decision and declared the detention of the DVD-players of the defendant to be illegal.

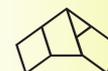
Reported by Clemens Rübél



## **8. Court of Appeals Düsseldorf on the infringement of a method claim in Germany when its features are partially realized abroad (decision of December 10, 2009, Case I-2 U 51/08 – Method of processing telephone calls)**

**For infringement of a method claim in Germany, it can be sufficient if the infringer realizes at least one of the claimed method steps within Germany and the other claimed method steps outside Germany.**

In the present case, the plaintiff asserted against the defendants a method claim



relating to a method of processing prepaid telephone calls. The claimed method essentially works as follows: A calling party buys a 'remote prepaid calling card' of a service provider. On the calling card, a dial-in number and a PIN-number are imprinted, the PIN-number being hidden under a scratch-off layer. By dialing the dial-in number and then the PIN-number e.g. from a public phone booth, the calling party reaches a computing system of the service provider. The computing system is programmed to enable the calling party to place telephone calls to the called parties according to a predetermined credit. Upon entering the telephone number of the called party, the computer system establishes the connection between the parties. Once the predetermined credit is used up, the computer system cuts off the connection.

Some of the claimed method steps, amongst others the step of offering remote prepaid calling cards for sale, were undisputedly realized by the defendants in Germany. However, according to the allegations by the defendants which could not be disproved by the plaintiff, other method steps were realized in the UK, inter alia the programming of the computing system comprising a data bank in which the PIN numbers of the calling cards are stored and with which a connection is established, or a cut-off, depending on the remaining credit attributed to a certain PIN and the corresponding calling card.

The Düsseldorf Court of Appeals was the first German court having to decide the hitherto unresolved legal question whether it can be sufficient for assuming patent infringement in Germany if the infringer realizes only some of the claimed method steps within Germany and the other claimed method steps outside Germany. The Court of Appeals ruled that infringement in Germany can be found if at least one method step is realized in Germany and if the method steps realized by the infringer outside Germany may be legally attributed to at least one method step realized by the infringer within Germany. Such legal attribution requires that the infringer makes use of the method steps realized abroad so that these method steps have their effect in Germany, and that such effect in Germany must be intended by the infringer.

In the present case, the Court affirmed such intentional effect in Germany in particular, since the calling cards in dispute were specifically designed for use in Germany (German language user instructions; German dial-in numbers) and since the programming of the computing system enabled German customers to place calls in Germany, using the patented method as a whole.

#### Remarks:

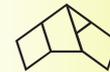
The present decision is certainly of high and general importance for the enforceability of method claims (and probably also system claims) in Germany, in particular in the telecommunications or IT industry. Therefore, a legal appeal to the Federal Supreme Court was admitted by the Court of Appeals Düsseldorf, which was filed by the defendants and which is currently pending.

It may be expected that the German Federal Supreme Court will confirm this decision: the Federal Supreme Court has already held in another recent case that an entity distributing infringing products to a retailer outside Germany is liable for patent infringement in Germany if the retailer puts the infringing products on the German market and if this must be expected by said entity (in the words of the court: if the infringing acts of the retailer were consciously and deliberately caused by said entity). This shows that the German Federal Supreme Court tends to liberally assume patent infringement in Germany in "cross-border" situations in which the actually attacked actions even fully take place outside Germany, but have an intended causative effect in Germany.

The reported case law is clearly a powerful tool for patentees, and may entail significant risk for participants in a global market.

Reported by Dr. Tilman Müller-Stoy  
and Jörg Wahl





**9. Court of Justice of the European Union: Registration of a slogan as a Community trademark (decision [First Chamber] of January 21, 2010 – Case C-398/08 P – Audi AG v OHIM – VORSPRUNG DURCH TECHNIK)**

**Protecting slogans through registration at any trademark office – with the exception perhaps of the United States – is difficult, and similar to red and black or pair and impair when playing Roulette – with the same impossibility to predict on which side of registrability your slogan may fall.**

Audi AG, one of Germany's car makers, had sought to register the slogan VORSPRUNG DURCH TECHNIK (something like "ADVANTAGE THROUGH TECHNOLOGY") as a Community trademark for goods and services in cl. 9, 14, 16, 18, 25, 28, 35 to 43 and 45. The application was refused by OHIM, in both instances, on grounds of lack of distinctiveness, and the General Court (then: Court of First Instance) confirmed the refusal in its judgment of 9 July 2008, Case T-70/06, Audi AG v OHIM) by being able to show acquired distinctiveness.

Audi appealed to the Court of Justice of the European Union. The ECJ not only annulled the judgment of the court below, but went on to decide the case itself, holding in favour of registrability of the slogan.

The ECJ begins its analysis with a restatement of the applicable principles:

34 According to equally settled case law, that distinctive character must be assessed, first, by reference to the goods or services in respect of which registration has been applied for and, second, by reference to the relevant public's perception of the mark (Procter & Gamble v OHIM, paragraph 33; Case C-25/05 P Storck v OHIM [2006] ECR I 5719, paragraph 25; Henkel v OHIM, paragraph 35; and Eurohypo v OHIM, paragraph 67).

35 As regards marks made up of signs or indications that are also used as advertising slogans, indications of quality or incitements to purchase the goods or services covered by those marks, registration of such marks is not excluded as such by virtue of such use (see Merz & Krell, paragraph 40, and OHIM v Erpo

Möbelwerk, paragraph 41).

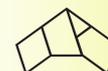
36 As regards the assessment of the distinctive character of such marks, the Court has already held that it is inappropriate to apply to slogans criteria which are stricter than those applicable to other types of sign (OHIM v Erpo Möbelwerk, paragraphs 32 and 44).

37 However, it is apparent from the case law that, while the criteria for the assessment of distinctive character are the same for different categories of marks, it may be that, for the purposes of applying those criteria, the relevant public's perception is not necessarily the same in relation to each of those categories and it could therefore prove more difficult to establish distinctiveness in relation to marks of certain categories as compared with marks of other categories (see Procter & Gamble v OHIM, paragraph 36; OHIM v Erpo Möbelwerk, paragraph 34; and Henkel v OHIM, paragraphs 36 and 38).

38 While the Court has not excluded the possibility that that case law may, in certain circumstances, be relevant to word marks consisting of advertising slogans, it has however stated that difficulties in establishing distinctiveness which may be associated with word marks consisting of advertising slogans because of their very nature – difficulties which it is legitimate to take into account – do not justify laying down specific criteria supplementing or derogating from the criterion of distinctiveness as interpreted in the case-law referred to in paragraphs 33 to 34 of the present judgment (see OHIM v Erpo Möbelwerk, paragraphs 35 and 36).

39 The Court has therefore held, in particular, that an advertising slogan cannot be 'required to display 'imaginativeness' or even 'conceptual tension which would create surprise and so make a striking impression' in order to have the minimal level of distinctiveness required under Article 7(1)(b) of Regulation No 40/94 (OHIM v Erpo Möbelwerk, paragraphs 31 and 32; see also Case C-392/02 P SAT.1 v OHIM [2004] ECR I 8317, paragraph 41). The court below, so the ECJ, did not correctly apply these principles:

44 However, while it is true – as was pointed out in paragraph 33 of the present judgment – that a mark possesses



distinctive character only in so far as it serves to identify the goods or services in respect of which registration is applied for as originating from a particular undertaking, it must be held that the mere fact that a mark is perceived by the relevant public as a promotional formula, and that, because of its laudatory nature, it could in principle be used by other undertakings, is not sufficient, in itself, to support the conclusion that that mark is devoid of distinctive character.

45 On that point, it should be noted that the laudatory connotation of a word mark does not mean that it cannot be appropriate for the purposes of guaranteeing to consumers the origin of the goods or services which it covers. Thus, such a mark can be perceived by the relevant public both as a promotional formula and as an indication of the commercial origin of goods or services. It follows that, in so far as the public perceives the mark as an indication of that origin, the fact that the mark is at the same time understood – perhaps even primarily understood – as a promotional formula has no bearing on its distinctive character.

46 However, by the line of reasoning set out in paragraphs 42 and 43 of the present judgment, the General Court did not substantiate its finding to the effect that the mark applied for will not be perceived by the relevant public as an indication of the commercial origin of the goods and services in question; in essence, rather, it merely highlighted the fact that that mark consists of, and is understood as, a promotional formula.

47 As regards the General Court's finding in paragraph 41 of the judgment under appeal that the mark 'Vorsprung durch Technik' can have a number of meanings, or constitute a play on words or be perceived as imaginative, surprising and unexpected and, in that way, be easily remembered, it should be noted that, although the existence of such characteristics is not a necessary condition for establishing that an advertising slogan has distinctive character, as is apparent from paragraph 39 of the present judgment, the fact remains that, as a rule, the presence of those characteristics is likely to endow that mark with distinctive character.

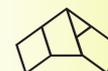
The court went further and not only annulled the contested judgment but decided the case on the merits, and held that the slogan fulfilled the requirements of distinctiveness:

56 In that regard, it must be stated that all marks made up of signs or indications that are also used as advertising slogans, indications of quality or incitements to purchase the goods or services covered by those marks convey by definition, to a greater or lesser extent, an objective message. It is clear, however, from the case law set out in paragraphs 35 and 36 of the present judgment that those marks are not, by virtue of that fact alone, devoid of distinctive character.

57 Thus, in so far as those marks are not descriptive for the purposes of Article 7(1)(c) of Regulation No 40/94, they can express an objective message, even a simple one, and still be capable of indicating to the consumer the commercial origin of the goods or services in question. That can be the position, in particular, where those marks are not merely an ordinary advertising message, but possess a certain originality or resonance, requiring little in the way of interpretation by the relevant public, or setting off a cognitive process in the minds of that public.

58 Even if it were to be supposed that the slogan 'Vorsprung durch Technik' conveys an objective message to the effect that technological superiority enables the manufacture and supply of better goods and services, that fact would not support the conclusion that the mark applied for is devoid of any inherently distinctive character. However simple such a message may be, it cannot be categorised as ordinary to the point of excluding, from the outset and without any further analysis, the possibility that that mark is capable of indicating to the consumer the commercial origin of the goods or services in question.

59 In that context, it should be pointed out that that message does not follow obviously from the slogan in question. As Audi observed, the combination of words 'Vorsprung durch Technik' (meaning, inter alia, advance or advantage through technology) suggests, at first glance, only a causal link and accordingly requires a measure of interpretation on the part of



the public. Furthermore, that slogan exhibits a certain originality and resonance which makes it easy to remember. Lastly, inasmuch as it is a widely known slogan which has been used by Audi for many years, it cannot be excluded that the fact that members of the relevant public are used to establishing the link between that slogan and the motor vehicles manufactured by that company also makes it easier for that public to identify the commercial origin of the goods or services covered.

Remarks:

The judgment is, first of all, statistically very significant because the ECJ has so far annulled only two such judgments of the (then) CFI on appeal by the losing applicant involving absolute grounds of refusal (there are a few annulments when OHIM appealed), namely in the well-known BABY-DRY decision of 2001 (Case C-283/99 P, Procter & Gamble v OHIM), and in the SAT.2 decision of 2004 (C-329/02 P – Sat.1 v OHIM).

The Audi judgment is, secondly, significant because the Court establishes some very sensible rules for examining slogan marks, which should be applied to other word marks as well.

Thus, the fact that the slogan conveys an objective message does not justify a refusal. Further, when a mark shows a degree of originality (“... a number of meanings, or constitute a play on words or be perceived as imaginative, surprising and unexpected and, in that way, be easily remembered”), this is a strong indication of inherent distinctiveness. Originality is, of course, not a requirement or condition of registrability, but its presence will definitely help.

The Audi judgment is welcome fresh air from a court which is often criticised for taking too much of a hands-off attitude to appeals in trademark cases.

Reported by  
Dr. Alexander von Mühlendahl, LL.M.



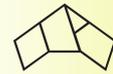
**10. Court of Justice of the European Union: Cancellation on absolute grounds – Standing to request cancellation – Descriptiveness (decision [Fifth Chamber] of February 25, 2010 – Case C-408/08 P – Lancôme parfums et beauté & Cie. SNC v OHIM – COLOR EDITION)**

**Lancôme was proprietor of the mark COLOR EDITION, registered as a Community trademark in 2004 for goods in cl. 3 (cosmetics and make-up preparations). A few months after registration, a German law firm filed an application for cancellation, alleging that the mark was descriptive and devoid of distinctive character. The application was rejected by OHIM’s Cancellation Division, but on appeal OHIM’s Board of Appeal found the mark to be descriptive. Lancôme’s appeal to the General Court (then: CFI) failed (decision of July 8, 2008 – Case T-160/07). Lancôme’s further appeal to the European Court of Justice was dismissed by judgment of February 25, 2010.**

Lancôme presented three arguments before the ECJ:

- For presenting an application for a declaration of invalidity on absolute grounds, the applicant must not only possess legal capacity, but also must have an interest in having the mark declared invalid;
- A law firm could not legitimately bring a cancellation case in its own name because this was contrary to the role of lawyers as “officers of the court”;
- COLOR EDITION could not properly be held to be descriptive because the proper standard was whether the term was in common usage in the general public.

As to the first point, the Court held that the right to bring an action for cancellation was not subject to a specific or general economic interest in having the mark removed from the register. The rules applicable to court proceedings were considered inapplicable, as the OHIM procedure was administrative in nature. The legislature had endowed all persons with the right to bring an invalidity action



on absolute grounds, and an actual or potential economic interest was not part of the legislation.

As to the second point, the Court held that this argument, having been presented for the first time before the ECJ, was a new point of law and thus not admissible. The question whether a law firm could properly bring an invalidity action was not one belonging to the “ordre public” that could be raised and examined at any time because in the present case the question was whether a law firm had the right to initiate an administrative action, not a court action.

As to the third point, the Court merely concluded that COLOR EDITION was not an unusual composition of the individual words, COLOR, and EDITION, and not sufficiently far removed from the impression created by individually:

63 In the present case, after having found that the sign ‘COLOR EDITION’ was composed exclusively of indications which may serve to designate certain characteristics of the goods in question, the General Court held, in paragraph 49 of the judgment under appeal, that the association of the terms ‘color’ and ‘edition’ was not unusual but a normal construction in light of the lexical rules of the English language and that the mark in respect of which registration had been sought did not therefore create, for the target public, an impression sufficiently far removed from that produced by the simple juxtaposition of the verbal elements of which it was composed to alter its meaning or scope.

#### Remarks:

On the first point, the “actio popularis” is well-known in some legal systems, whereas in others a legitimate interest will always be required. Thus it would seem acceptable that the European legislature opted for the absolute approach. It remains however strange that all “persons” are entitled, whereas associations are entitled only when they represent interests of producers, traders, and consumers. The Court concluded on that point that these associations were specifically mentioned because they do not have “legal personality”:

42 First, contrary to Lancôme’s claim, such an interpretation is not borne out by the reference made in Article 55(1)(a) of the regulation to groups or bodies set up for the purpose of representing the interests of manufacturers, producers, suppliers of ser-

vices, traders or consumers, which under the terms of the law governing them have the capacity to sue and be sued. That list, which also contains consumers to whom an economic interest such as the one described by Lancôme cannot generally be attributed, seeks merely to include, on the list of persons who may apply to OHIM for a declaration of invalidity under that provision, groups and bodies of that nature which, although they have the capacity to bring proceedings in accordance with the law governing them, do not have legal personality.

On the second point, the distinction between “administrative” and “judicial” proceedings appears artificial, the more so as the unsuccessful applicant may bring an action against OHIM before the Community courts.

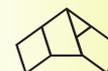
On the third point, the Court once again missed an opportunity to bring more clarity to the question of the continued validity of the BABY-DRY decision. Lancôme had argued, inter alia:

56 Lancôme submits that, according to the case law, for a mark which is made up in that way to be regarded as descriptive, it is necessary to verify whether the terms chosen and their association are known and used habitually in the everyday language of the target public. In finding that a mark, which is made up of individual descriptive elements, is itself descriptive unless there is a perceptible difference between the mark applied for and the mere sum of its parts, the General Court infringed the principle set out in Case C-383/99 P Procter & Gamble v OHIM [2001] ECR I 6251. In accordance with that principle, what the General Court should actually have done was research whether there was a perceptible difference between the word combination and the everyday language of the relevant class of consumers to designate the goods and services or their essential characteristics.

The canon-like repetition of the formula established in POSTKANTOOR and BIO-MILD (“sufficiently far removed ...”) is not an appropriate substitute for making a comparison between what is sought to be protected and what is common language (the rule of BABY-DRY).

Our law firm represented Lancôme before the ECJ, but not in the earlier stages.

Reported by  
Dr. Alexander von Mühlendahl, LL.M.



**11. Court of Justice of the European Union: Liability of advertising keyword providers – Liability of purchasers of keywords (Decision [Grand Chamber] of March 23, 2010 – Joined Cases C-236/08, 237/08 and 238/08 – Google France SARL & Google Inc. v Louis Vuitton Malletier SA, Google France SARL v Viaticum SA & Luteciel SARL and Google France SARL v Centre national de recherche en relations humaines SARL, Pierre-Alexis Thonet, Bruno Raboin & Tiger SARL – GOOGLE ADWORDS)**

**On March 23, 2010, the ECJ rendered its judgment in Joined Cases C-236, 237 & 238/08 – the so-called GOOGLE ADWORD cases. The preliminary ruling was requested by the French Cour de cassation (Supreme Court), where judgments finding Google liable for trademark infringement and unfair competition were pending.**

At issue is Google's AdWords program: Google allows parties to acquire or bid for "keywords" which, when entered by Internet users in the Google search bar will trigger paid advertisement – so-called "sponsored links" – appearing above or alongside the "natural" search results. When the "sponsored link" is clicked, the user will arrive at the website of the purchaser of the keyword. The program is of great economic significance as Google derives more than 95 % of its revenue from advertising, and the prime source is the AdWords program.

The ECJ was requested to answer essentially three questions:

- Is Google liable for trademark infringement when it offers trademarks without permission of their proprietors as keywords, and is the answer different when the trademark is a mark with a reputation, such as VUITTON?
- Is the purchaser of a keyword consisting of a trademark in order to advertise his own goods or services liable for trademark infringement?
- Assuming that Google is not liable for trademark infringement, but may be liable on other grounds, can Google rely on the liability exemption for web hosting services provided in Article 14 of the e-commerce Directive?

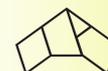
As regards the first question, the Court concluded that, while Google was acting "in the course of trade", it was not using the marks for its own goods or services, and was thus not liable, as a "direct" infringer.

The Court added however the following (emphasis added):

57 That conclusion is not called into question by the fact that that service provider is paid by its clients for the use of those signs. The fact of creating the technical conditions necessary for the use of a sign and being paid for that service does not mean that the party offering the service itself uses the sign. To the extent to which it has permitted its client to make such a use of the sign, its role must, as necessary, be examined from the angle of rules of law other than Article 5 of Directive 89/104 and Article 9 of Regulation No 40/94, such as those referred to in paragraph 107 of the present judgment.

As regards the second question, the Court held that keyword purchasers were making use of the purchased mark for their goods or services. Thus liability depended on the question whether such use was liable to infringe one of the protected functions of the mark. The Court considered (only) the origin and publicity function, and considered that the origin function would be affected if the reasonably prudent internet user would not be able to determine or would have difficulties to determine whether the goods or services offered were those of the trademark proprietor or a person economically related to the proprietor. The publicity function was held not to be adversely affected, essentially because of the following:

97 It follows from those factors that, when internet users enter the name of a trademark as a search term, the home and advertising page of the proprietor of that mark will appear in the list of the natural results, usually in one of the highest positions on that list. That display, which is, moreover, free of charge, means that the visibility to internet users of the goods or services of the proprietor of the trademark is guaranteed, irrespective of whether or not that proprietor is successful in also securing the display, in one of the highest positions, of an ad under the heading 'sponsored links'.



As regards the third issue, the Court held that Google could invoke the liability limitation of Article 14 of the e-commerce Directive only if its role as a “host” was “technical, passive and automatic”, terms used in the preamble to the Directive:

114 Accordingly, in order to establish whether the liability of a referencing service provider may be limited under Article 14 of Directive 2000/31, it is necessary to examine whether the role played by that service provider is neutral, in the sense that its conduct is merely technical, automatic and passive, pointing to a lack of knowledge or control of the data which it stores.

The answers of the Court to the questions posed are the following:

1. Article 5(1)(a) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trademarks and Article 9(1)(a) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trademark must be interpreted as meaning that the proprietor of a trademark is entitled to prohibit an advertiser from advertising, on the basis of a keyword identical with that trademark which that advertiser has, without the consent of the proprietor, selected in connection with an internet referencing service, goods or services identical with those for which that mark is registered, in the case where that advertisement does not enable an average internet user, or enables that user only with difficulty, to ascertain whether the goods or services referred to therein originate from the proprietor of the trademark or an undertaking economically connected to it or, on the contrary, originate from a third party.

2. An internet referencing service provider which stores, as a keyword, a sign identical with a trademark and organises the display of advertisements on the basis of that keyword does not use that sign within the meaning of Article 5(1) and (2) of Directive 89/104 or of Article 9(1) of Regulation No 40/94.

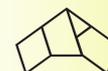
3. Article 14 of Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the

Internal Market (‘Directive on electronic commerce’) must be interpreted as meaning that the rule laid down therein applies to an internet referencing service provider in the case where that service provider has not played an active role of such a kind as to give it knowledge of, or control over, the data stored. If it has not played such a role, that service provider cannot be held liable for the data which it has stored at the request of an advertiser, unless, having obtained knowledge of the unlawful nature of those data or of that advertiser’s activities, it failed to act expeditiously to remove or to disable access to the data concerned.

Remarks:

On the very day the ECJ delivered its judgment in the Google AdWords cases on March 23, 2010, the papers and blogs and press communications amounted to many hundreds – on the next day, March 24, 2010, the judgment made the headlines of leading international newspapers. Rarely has an ECJ case attracted so much attention from everywhere, not only in the IP community. Comparable references are pending before the ECJ from courts in Austria, Germany, the United Kingdom, and Denmark. The next judgment will be delivered on March 25, 2010, after this IP Report will have been published.

Is this a “victory” for Google, as many of the commentaries suggest? In part, certainly: Google is not liable for trademark infringement, regardless of the renown of the mark it sells as keyword, on the – it seems to me – quite narrow finding that it does not use the marks for its own services. The requirement that trademark infringement requires use of the mark for the alleged infringer’s own goods or services is a relatively recent, and indeed debatably, development in the ECJ’s trademark cases. But, as the Court made clear in paragraph 57, quoted above, this finding does not preclude liability of Google, not amounting to direct infringement, such as on a theory of indirect or contributory liability (participating in one way or another in a third persons infringement). In any event, Google’s liability on the basis of national laws other than trademark law, such as unfair competition, interference with business relations, secondary liability etc. is not precluded



BARDEHLE  
PAGENBERG  
DOST  
ALTENBURG  
GEISSLER

either. In this regard, the exemption claimed by Google under Article 14 of the e-commerce Directive as a web-hosting service provider is unlikely to apply, given Google's activities in operating its AdWords program, which are unlikely to be qualified as "technical, automatic, and passive".

The liability of purchasers of keywords will hinge on the manner in which their "sponsored links" appear alongside the natural search results and what they contain or what they link to. This is likely to lead to more litigation, now against the purchasers of such keywords. When the "sponsored link" actually displays the protected trademark, and the advertiser offers counterfeit or otherwise infringing goods, the liability of the advertiser is obvious. It will be interesting to see how the ECJ will deal with the variations presented in subsequent cases. We will continue to report on developments in these pages.

Reported by  
Dr. Alexander von Mühlendahl, LL.M.

## **12. German Federal Patent Court: European "concept of neutralization" does not apply to national trademarks (decision of April 21, 2009 – Case 24 W (pat) 37/08 – Xxero/Zero)**

**Pursuant to formerly established German case law, the Federal Patent Court ruled that in case of identity of goods phonetic, visual or conceptual similarity between two signs suffices to result in a likelihood of confusion. With its decision, the Court rejected the corresponding, at least in Germany so-called "concept of neutralization" of the General Court and the Court of Justice of the European Union, ruling that visual and conceptual differences between two signs counteract their phonetic similarity (and vice versa).**

The owner of the earlier Community trademark registration "zero", inter alia registered for "cosmetic soaps, perfume, essential oils, cosmetics" opposed the later German trademark registration "Xxero Luxury Cosmetics", covering "cosmetics, hair lotions, essential oils, soaps, deodorising preparations for per-

sonal use". The Federal Patent Court overruled the decision of the German Patent and Trademark Office and declared cancellation of the later trademark "Xxero Luxury Cosmetics".

Since the Court had found the opposing trademark "zero" being of average distinctive character and the goods of the conflicting signs being identical, the Court's reasoning focused on the similarity of the signs. Due to the words "Luxury Cosmetics" being clearly descriptive, only the remaining component "Xxero" was compared to the opposing trademark "zero".

The Court found that the earlier trademark "Xxero" could be pronounced – by the relevant German public – either [iksksero] or [ksero] and that the opposing trademark "zero" was likely to be pronounced [tsero]. Moreover, the Court held that phonetic similarity between "Xxero" and "zero" was sufficient for finding likelihood of confusion.

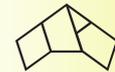
Thus, while the Patent Court's decision is in line with former German case law, it is contravening case law from the General Court and the Court of Justice of the European Union, holding that visual or conceptual differences between two signs may counteract phonetic similarity (and vice versa).

Remarks:

In order to have further clarification, the Federal Patent Court admitted the appeal to the Federal Supreme Court. However, since such an appeal was not filed, the decision became final. However, due to the conflicting case law of the European courts, the Federal Patent Court's view will probably not become established German practice. This assumption is particularly supported by most recent case law of the German Federal Supreme Court (Decision of July 29, 2009 – Case I ZR 102/07 – AIDA/AIDU), ruling that even in case of phonetic or visual similarity of signs a likelihood of confusion can be denied due to the signs' lack of conceptual similarity.



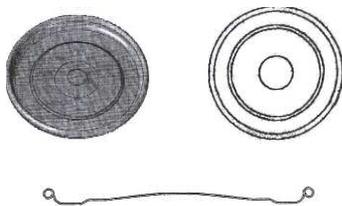
Reported by  
Verena Wintergerst, LL.M.



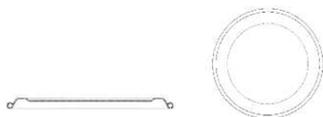
**13. General Court: Three key lessons from the Court's first decision on validity of a registered Community design (decision of March 18, 2010 – Case T-9/07 – Grupo Promer Mon Graphic SA v OHIM and PepsiCo Inc)**

**Eight years and 12 days after the Community Design Regulation (“CDR”) entered into force, Europe’s General Court (formerly known as Court of First Instance) decided, for the very first time, on some key requirements for testing the validity of a registered Community design. While OHIM’s Invalidation Division had invalidated PepsiCo’s contested design, OHIM’s Board of Appeal reversed the decision and found the design valid. The General Court confirmed basic conclusions of the Board of Appeal but nonetheless declared the contested design invalid.**

On September 9, 2003, PepsiCo filed an application for registration of a Community design (indication of product: “promotional item[s] for games”) claiming priority as of July 23, 2003, represented the design as follows:



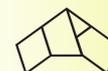
On February 4, 2004, Grupo Promer Mon Graphic filed an application for a declaration of invalidity against PepsiCo’s Community design on the grounds of a prior Community design, filed on July 17, 2003 (indication of product: “metal plate[s] for games”) claiming priority as of July 8, 2003, represented as follows:



Three key lessons can be taken from the decision (not to mention, for instance, the issue of allegedly “acting in bad faith” and whether documents submitted before the Court for the first time shall be considered), which will also guide national design infringement courts throughout Europe. The dispute at hand mainly circled around the question whether PepsiCo’s Community design was “in conflict” with Grupo Promer’s prior Community design (Article 25 [1] lit d CDR).

The Court, firstly, decided that a Community design is in conflict with a prior design when, taking into consideration the freedom of the designer in developing the Community design, that design does not produce on the informed user a different overall impression from that produced by the prior design relied on (paragraph 52). Thus, the Court agreed with the Board of Appeal that “in conflict” (Article 25 [1] lit d CDR) must be interpreted so as if the later design falls within the scope of protection of the prior design (Article 10 CDR). However, the Court made an interesting distinction in this context because it agreed, on the one hand, to solely focus on the scope of the protection conferred by the prior Community design as stipulated in Article 10 (1) CDR (at paragraph 49 – 50), while the Court, on the other hand, insisted, relying on Article 10 (2) CDR, that the freedom of the designer in developing the later Community design shall be decisive (see paragraphs 51 – 52).

Secondly, the Court held that the “informed user”, in the sense of Article 10 (1) CDR, is neither a manufacturer nor a seller of the products in which the designs at issue are intended to be incorporated or to which they are intended to be applied. Instead, the informed user is “particularly observant and has some awareness of the state of the prior art, that is to say the previous designs relating to the product in question that had been disclosed on the date of filing of the contested design” (paragraph 62). The Court also clarified (in accordance with the Board of Appeal) that, in the present case, the informed user “could be a child in the approximate age range of five to ten or a marketing manager in a company that makes goods which are promoted by giving away ‘pogs’, ‘rappers’ or ‘tazos’” (products belonging, according to the Court, to the broad category of promotional items for games), provided that “both those categories of person are familiar with the phenomenon of ‘rappers’” (paragraphs 64 and 65). Since neither of the designs were registered for these particular products, the Court held that “the relevant indication in the application for registration of that design should be taken into account, but also, where necessary, the design itself, in so far as it makes clear the nature of the product, its intended purpose or its function” (paragraph 56).



Thirdly, as regards the freedom of the designer in developing the later Community design, the General Court held that such freedom is established, inter alia, by the constraints of the features imposed by the technical function of the product or an element thereof, or by statutory requirements applicable to the product. These constraints result in a standardisation of certain features, which will thus be common to the designs applied to the product concerned (at paragraph 67). In the present case, the Board of Appeal, says the Court, was correct in finding that the designer's freedom was severely restricted since he had to incorporate the common features of "rappers" in his design. Moreover, the designer's freedom was also limited in so far as those items had to be inexpensive, safe for children and fit to be added to the products which they promote (paragraph 70).

However, the Court disagreed with the Board of Appeal in that some of the similarities between the two designs were not the result of said restriction of the designer's freedom. In particular, the central part did not have to be delineated by a circle; this could also have been done by a triangle, a hexagon or an oval (at paragraph 77 – 84).

As a consequence, the General Court found the two Community designs did not produce a different overall impression on the informed user, but the later design being "in conflict" with the earlier design, within the meaning of Article 25 (1) lit d CDR.

#### Remarks:

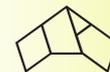
Lesson 1 is correct as far as "in conflict" (Article 25 [1] lit d CDR) is transcribed in the sense of Article 10 (1) CDR. However, linking the freedom of the designer (Article 10 [2] CDR) to the later design appears to be questionable since, in that case, the scope of protection of the earlier Community design will become fluctuating and non-static (similar to a trademark), i.e., constraints after the priority date of the earlier design will be taken into consideration (in particular, after some years have passed). Lesson 2, again, seems questionable, at least because the Court established a link between the indication of product of the earlier design and the informed user. This may be in line with

case law from the Board of Appeal (see *Ferrari v Dansk Supermarked*) but deviates from other bodies, referring to the wording of Article 36 (6) CDR, pursuant to which the product indication of a Community design "shall not affect the scope of protection of the design as such". The same is true for Lesson 3 because the Court found the designer's freedom of developing the design of a "rapper" to be "severely restricted", also because such an item had to be "safe for children".

It will be interesting to see whether national Community design infringement courts will follow the General Court's path (or even the Court of Justice, should *PepsiCo* appeal).

Reported by Dr. Henning Hartwig

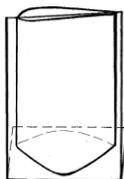




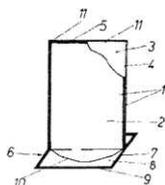
**14. OHIM (Board of Appeal) again invalidates Community design for being solely dictated by its technical function (decision of November 12, 2009 – R 1114/2007-3 – Packaging for food-stuffs)**

**Shortly after the Third Board of Appeal of the Office for the Harmonization in the Internal Market (OHIM) issued its first decision on the interpretation of Article 8 (1) Community Design Regulation (“CDR”) on October 22, 2009 (see IP Report 2009/V), the Board declared a further Community design invalid for being solely dictated by its technical function, confirming the legal standards established in that previous decision which deviate from those of Community design courts.**

Subject of this decision was the registered Community design No 273644-0001 which is indicated as packaging for food-stuffs and depicted below:



The appellant argued that the Community design did not fulfil the requirements of novelty and individual character (Articles 5 and 6 CDR) and that its essential features were solely dictated by the product's technical function, therefore being invalid pursuant to Article 8 (1) CDR. As evidence for the latter ground of invalidity the appellant submitted a number of patent publications, including a Polish patent application containing the following drawing:



The Invalidity Division did not deal with this ground of invalidity, but rather confirmed novelty and individual character of the Community design and rejected the application. The Board of Appeal found that failure to examine this ground constitutes a substantial procedural violation and, therefore, the underlying decision must be annulled. However, for reasons of procedural economy the Board deci-

ded not to remit the case to the Invalidity Division but to decide by itself.

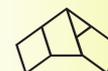
In doing so, the Board held that it was impossible to determine on the basis of the above drawing (as well as the description) whether the patent application and the Community design relate to the same product, which as such – even if it was true – would not have been sufficient to declare the Community design invalid.

Notwithstanding this, the Board carried out the examination whether the features of appearance of the Community design are solely dictated by its technical function, pursuant to Article 8 (1) CDR. The Board summarized the standards referring to former landmark decisions as follows: “Article 8 (1) CDR denies protection to those features of a product's appearance that were chosen exclusively for the purpose of designing a product that performs its function, as opposed to features that were chosen, at least to some degree, for the purpose of enhancing the product's visual appearance. It is not necessary to determine what actually went on in the designer's mind when the design was being developed. The matter must be assessed objectively from the standpoint of a reasonable observer who looks at the design and asks himself whether anything other than purely functional considerations could have been relevant when a specific feature was chosen.”

The Board continues in repeating that the fact that a particular feature is denied protection by Article 8 (1) CDR does not mean that the whole Community design must be declared invalid. The invalidation of the whole Community design requires that all the essential features of the appearance of the product were solely dictated by its technical function.

In applying this standard to the contested Community design, the Board found that all the essential features (basic shape, dimensions, twin compartments, rounded edges visible at the top and bottom, and flap at the base) of the Community design had been chosen with a view to designing a product that performs its function and, therefore, declared it invalid.

Interestingly, the Board continued to examine the grounds of lack of novelty



and individual character “for the sake of completeness”, although it found that examination is “not strictly necessary”. Then, the Board “double invalidated” the Community design because of the piece of prior art depicted below:



It is noteworthy that the Board added the following reasoning: Since the prior art consists of images of actual marketed food products and the Community design is represented by an “extremely simple line drawing”, the Board must imagine the finished products stripped of their coloured get-up and trademarks and to compare that product with the Community design. Furthermore, the Board held that there is nothing about the Community design that clearly distinguishes it from “the existing design corpus” which is required according to recital 14 CDR to confer individual character within the meaning of Article 6 CDR.

#### Remarks:

This decision reveals two major issues of European design law which are in dispute: First, as regards Article 8 (1) CDR, the Board confirms its denial of the “multiplicity-of-forms” or “design alternative” theory supported so far by most of the Community design courts and scholars, and thus establishes a higher hurdle for design protection. Second, the same is true for construing the “difference requirement” of Article 6 CDR with regard to Recital 14 as “clearly different”. The Community design courts of the Member States have different approaches here, e.g., a favouring approach in the United Kingdom and Italy, and denying views in Germany and Austria. In the light of these growing differences in European design case law, some binding guidance from the Court of Justice of the European Union is urgently needed.

Reported by Thomas Huber

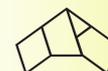


#### 15. Munich Appeal Court on the liability of “domain name parking” platforms (Decision of August 13, 2009 – Case 6 U 5869/07 – Domain name parking)

**A recently published decision of the Munich Appeal Court examines the liability of “domain name parking” platforms in the Internet. The claimant, owner of the German trademark “tatonka”, sued a provider of an internet platform doing business, inter alia, by selling and “parking” domain names. For the latter, the defendant acted as a hosting provider for a website using the second level domain “tatonka”. By using keywords, customers were directed to this “parked” website where advertising links of third companies were included, inter alia for the goods for which the claimant’s trademark was registered. The decision dealt only with claims against the provider of the platform, not against the owner of the domain name of the parked website.**

Following a warning letter sent by the claimant, the provider of the platform signed a cease-and-desist declaration, removed the domain name and put it on a black list preventing further use in the parking system of the platform. Before court, the claimant requested, inter alia, reimbursement of his legal costs.

The Court denied the claim with reference to recent case law of the Federal Supreme court. The Court argued that the provider of the platform was not infringing the trademark on its own – with or without there being any connection to the domain name owner –, but could only be liable in accordance with the legal principle that the provider might have caused the infringement by allowing the domain name owner to participate in the parking system. To narrow this liability, the Court was of the opinion that the provider would have been only liable for further conduct after having received the warning letter by way of which he learned of the infringement, but not prior to reception of this information. In the view of the Court, the domain name parking system as such was not illegal. Furthermore, the provider had no reasonable possibility to examine infringement of every domain name being in his domain name parking system without any specific indication for an alleged infringement.



BARDEHLE  
PAGENBERG  
DOST  
ALTENBURG  
GEISSLER

#### Remarks:

This decision will, in view of all the aspects it deals with, probably get applause in the legal community. It is one of the first decisions of German Higher Courts acknowledging infringement of trademarks by parked domain names. Even if the content of such parking websites changes in correspondence to the keywords searched for by customers, trademark infringement may be found as long as a likelihood of confusion occurs provided a sufficient similarity of signs and the use for goods or services protected by the designation rights is given. On the other hand, the decision does not extend the liability of internet providers (of all kind) since these providers usually are not able to examine trademark infringement and the like for thousands or even millions of domain names hosted or being part of another user system. The same general concept was applied by the Federal Supreme Court for the liability of the German domain name registry DENIC although it is not yet clear, whether the Supreme Court will use this line of argument also for purely privately organized providers such as the defendant in the above-reported case.

Reported by Dietrich Beier



#### IMPRINT

The "BARDEHLE PAGENBERG IP Report" is published by Patent- und Rechtsanwälte BARDEHLE PAGENBERG  
Galileiplatz 1, 81679 München  
Tel. +49 (0)89 92805-0  
Fax: +49 (0)89 92805-444  
www.bardehle.com

Editor:  
Dr. Henning Hartwig

The "BARDEHLE PAGENBERG IP Report" provides information and comments on legal issues and developments of interest in the field of industrial property. Nothing in this newsletter constitutes legal advice. Intellectual property laws and systems are multifaceted and intricate, and regarding any problem or matter, we urge you to obtain professional advice before taking any action with respect to any information contained in this newsletter. BARDEHLE PAGENBERG assumes no responsibility for information contained in this newsletter or on the website [www.bardehle.com](http://www.bardehle.com) and disclaims all liability with respect to such information.

The following is information requested by § 6 of the German Law on Teleservices: The European Patent Attorneys of BARDEHLE PAGENBERG are members of the European Patent Institute (epi, <http://www.patentepi.com/>) and as such subject to its Code of Professional Conduct, (<http://www.patentepi.com/english/100/120/>) and the Regulation on Discipline issued by the Administrative Council of the European Patent Organisation (<http://www.patentepi.com/english/100/120/>)

Unless otherwise specified, the term "Patent Attorney" on the website [www.bardehle.com](http://www.bardehle.com) refers to German Patent Attorneys. BARDEHLE PAGENBERG Patent Attorneys are registered at the German Patent and Trademark Office and members of the German Patent Attorneys Association (<http://www.patentanwalt.de/>). German Patent Attorneys are subject to the professional rules laid down in the Patentanwaltsordnung (PatanwO) [German Patent Attorney Code], which can be reviewed in German at <http://jurcom5.juris.de>, and in the Berufsordnung der Patentanwälte BOPA [Code of Conduct for Patent Attorneys] which can be downloaded as pdf file in German here.

BARDEHLE PAGENBERG German attorneys at law are members of the Bar Association in the district of the Higher Regional Court in Munich (<http://www.rechtsanwaltskammer-muenchen.de/>), Germany, unless specified otherwise. They are subject to the Bundesrechtsanwaltsordnung (BRAO) [German Attorney at Law Code], the Berufsordnung der Rechtsanwälte (BORA) [Code of Conduct for German attorneys at law] and the Rechtsanwaltsvergütungsgesetz (RVG) [Code of Lawyers' Fees]. These German rules and laws can be reviewed (in German) at <http://www.brak.de/> under "Angaben gemäß § 6 TDG".

Moreover, the Code of Conduct for Lawyers in the European Community issued by the CCBE (Council of the Bars and Law Societies of the European Community) <http://www.ccbe.org/UK/publications.htm> is applicable to all lawyers of BARDEHLE PAGENBERG.