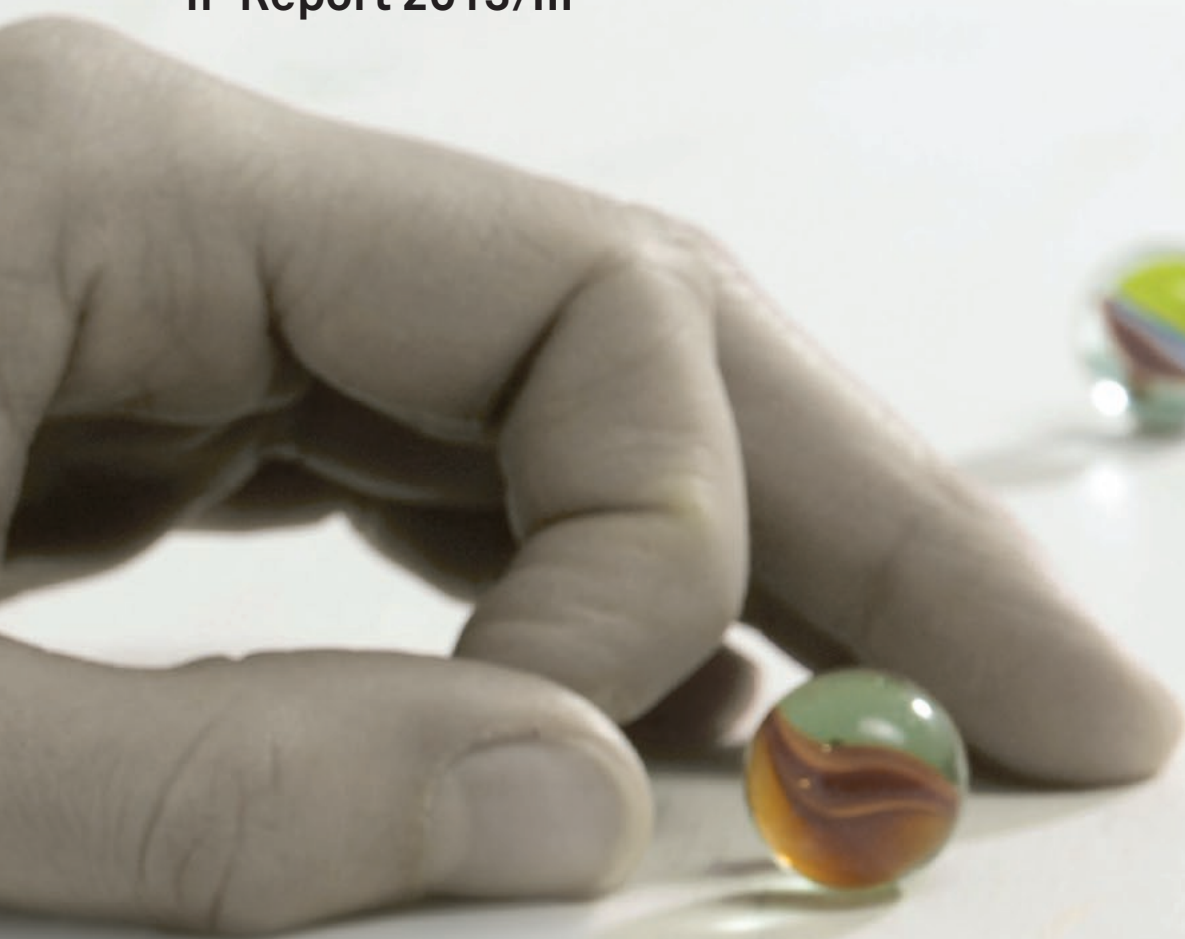




**IP Report 2013/III**

**BARDEHLE  
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**Patent Law**

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- 3 1. European Patent Office (Technical Board of Appeal 3.3.04): Further referral to the Enlarged Board of Appeal on the patentability of products obtained by “essentially biological processes” (decision of July 8, 2013 – Case T 83/05 – Broccoli II/ PLANT BIOSCIENCE)
- 5 2. Mannheim District Court: Liability of a foreign supplier for negligently contributing to the patent infringement of a domestic purchaser following a warning letter sent to the foreign supplier (decision of March 8, 2013 – Case 7 O 139/12 – Liability of a foreign supplier)

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**Trademark Law**

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- 7 3. Court of Justice of the European Union: Trademark application made in bad faith – Concept of bad faith under European Union law – Knowledge of use of mark abroad (decision of June 27, 2013 – Case C-320/12 – Malaysia Dairy Industries v Ankenævet for Patenter og Varemærker)
- 10 4. General Court of the European Union: Invalidation of registered Community design because of conflict with an earlier Community trademark (decision of April 25, 2013 – Case T-55/12 – Su-Shan Chen v OHIM and AM Denmark)
- 13 5. General Court of the European Union: Conflict between earlier national trademark and later Community design (decision of June 27, 2013 – Case T-608/11 – Beifa v OHIM and Schwan-Stabilo)
- 15 6. German Federal Supreme Court: Infringement of foodstuffs legislation as unfair competition – Parallel importation of foodstuffs – Exceptions to exhaustion of rights (decision of November 22, 2012 – Case I ZR 72/11 – Barilla)
- 17 7. German Federal Supreme Court: Relevant circles in case of “reverse product placement” (decision of December 5, 2012 – Case I ZR 135/11 – Duff Beer)
- 19 8. German Federal Supreme Court: Genuine use – Use of a variant (decision of January 10, 2013 – Case I ZR 84/09 – PROTI II)

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**Design Law**

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- 21 9. General Court of the European Union: Validity of a registered Community design (decision of June 6, 2013 – Case T-68/11 – Kastenzholz v OHIM and Qwatchme)
- 24 10. German Federal Supreme Court: Proof of ownership of an unregistered Community design (decision of December 13, 2012 – Case I ZR 23/12 – Bolerojäckchen/Bolero Jacket)

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**1. European Patent Office (Technical Board of Appeal 3.3.04): Further referral to the Enlarged Board of Appeal (pending case no. G2/13) on the patentability of products obtained by “essentially biological processes” (decision of July 8, 2013 – Case T 83/05 – Broccoli II/ PLANT BIOSCIENCE)**

Reported by Dr. Rudolf Teschemacher

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**For the third time, a point of law concerning the patentability of products obtained by an essentially biological process has been referred to the Enlarged Board of Appeal (EBA). This time the EBA is faced with the following questions:**

(1) Can the exclusion of essentially biological processes for the production of plants in Article 53 (b) EPC have a negative effect on the allowability of a product claim directed to plants or plant material such as plant parts?

(2) In particular:

(a) Is a product-by-process claim directed to plants or plant material other than a plant variety allowable if its process features define an essentially biological process for the production of plants?

(b) Is a claim directed to plants or plant material other than a plant variety allowable even if the only method available at the filing date for generating the claimed subject-matter is an essentially biological process for the production of plants disclosed in the patent application?

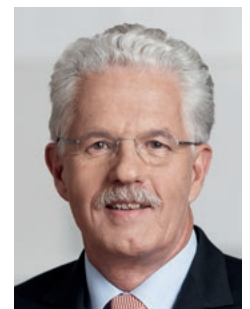
(3) Is it of relevance in the context of questions 1 and 2 that the protection conferred by the product claim encompasses the generation of the claimed product by means of an essentially biological process for the production of plants excluded as such under Article 53 (b) EPC?

(4) If a claim directed to plants or plant material other than a plant variety is considered not allowable because the plant product claim encom-

passes the generation of the claimed product by means of a process excluded from patentability under Article 53 (b) EPC, is it possible to waive the protection for such generation by “disclaiming” the excluded process?

In case G 2/07 (OJ EPO 2012, 130 – Broccoli/ PLANT BIOSCIENCE arising from the same opposition appeal proceedings as the present referral) and the parallel case G 1/08 (OJ EPO 2012, 206 – Tomatoes/STATE OF ISRAEL), the EBA was faced with the question which processes for producing plants are to be considered as essentially biological within the meaning of Article 53 (b) EPC and therefore excluded from patent protection. The EBA held that processes for the production of plants consisting of the steps of sexually crossing the whole genomes of plants and of subsequently selecting plants are in principle excluded from patentability as being “essentially biological”, with the proviso that they are not excluded if they contain an additional step of a technical nature, which step by itself introduces a trait into the genome or modifies a trait in the genome of the plant produced. As a consequence in both cases, the proprietors deleted the process claims, apparently expecting that the product claims would be considered allowable following decision T 1854/07 of June 9, 2011 – Oil from seeds/CONSEJO SUPERIOR, holding that the exclusion for essentially biological processes does not apply to products obtained therefrom.

In the Tomato case, a further point of law was referred to the EPO and the case is still pending (G 2/12, see OJ EPO 2012, 468). The questions asked correspond to the above questions, 1, 2 (b) and 3. Following the opponent’s withdrawal



Dr. Rudolf Teschemacher



of the appeal, the proprietor submitted that the proceedings before the EBA should be terminated, applying the principle of the prohibition of *reformatio in peius* as developed in G 9/92, whereas the EBA, in a communication, took the position that the principle of *reformatio in peius* does not apply since the patent is defended in the version maintained by the opposition only as an auxiliary request, whereas the main request is directed to different, technically broader subject-matter.

The new referral in the Broccoli case has the consequence that the questions referred in the Tomato case have to be decided even if the proprietor in the Tomato case eventually withdraws his main request and requests maintenance of the patent in the version held allowable by the Opposition Division; this declaration would result in the termination of the appeal proceedings and the proceedings before the EBA in the Tomato case.

In the reasons for the new referring decision T 83/05, the Board explains, in balancing the reasons either for staying the proceedings in the present case until the outcome of G 2/12 or referring again questions to the EBA, why the latter alternative has been chosen. First, a further

referral was requested by all parties in order to give them the possibility of introducing their arguments before the EBA, second, proceedings in G 2/12 may terminate without a decision on the merits, and third, the present case comprises additional aspects not covered by the questions referred in the Tomato case.

The latter in particular applies to question 4 which is caused by an auxiliary request containing the disclaimer “wherein the claim does not encompass an essentially biological process for producing the plant”. According to the understanding of the Board, this clause is not intended to disclaim all plants that are produced by an essentially biological process. Rather, it appears to seek to waive a part of the prerogatives of the proprietor with the possible effect that producing the claimed product by an essentially biological process could no longer be prohibited. The Board doubts whether the provisions of the EPC allow a statement in a claim qualifying the rights which may derive from the presence of a particular technical feature in a claim. Nevertheless, the Board sees some justification in the argument that such a disclaimer/waiver could solve the conflict between the patentability of plants and the exclusion of essentially biological processes for the production of plants.

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## Remarks

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The proceedings in the Broccoli and Tomato cases evolve into a never-ending story. The priorities date back to 1998 and 1999, appeal proceedings have been pending for eight and seven years and the end is not yet foreseeable. However, from the conduct of the proceedings

one may gain the impression that the interest of the proprietors is not so much to obtain an enforceable title. Rather, the main interest appears to be to have questions of substantive patent law clarified.

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**2. Mannheim District Court: Liability of a foreign supplier for negligently contributing to the patent infringement of a domestic purchaser following a warning letter sent to the foreign supplier (decision of March 8, 2013 – Case 7 O 139/12 – Liability of a foreign supplier)**

Reported by Dr. Thomas Gniadek and Michael Kobler

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**A foreign supply company which exclusively acts abroad can only be held liable for negligently contributing to the patent infringement committed by its purchaser in Germany in case the foreign supplier violates a legal obligation, namely an obligation to examine a potential patent infringement and to act accordingly (“Prüfungs- und Handlungspflicht”).**

The knowledge of the destination of the sold products alone does not lead to the legal obligation to examine whether the products sold infringe any intellectual property right in the home jurisdiction of the purchaser. In particular, a company located abroad supplying parts to a German automotive company and exclusively acting abroad may in principle rely on the assumption that its German purchaser acts in accordance with German law. However, a legal obligation to examine a potential patent infringement generally arises if the supply company located abroad receives specific information on the possible patent infringement of the domestic automotive company, *e.g.*, by means of a warning letter sent to the foreign supplier.

In the case at hand, the owner of the German part of European Patent EP 0 798 168 B1 (“patent-in-suit”) concerning a side collision protection device for vehicle passengers filed a suit against a foreign company (“defendant”), producing and supplying side airbags for a German automotive manufacturer (“purchaser”). The purchaser received the attacked side airbags outside of Germany, at the defendant’s factory, and imported and distributed them within Germany. Prior to filing suit against the foreign defendant, the plaintiff sent a warning letter to the defendant on May 7, 2012, to which

the defendant responded with letter of May 9, 2012 merely rejecting the plaintiff’s accusations regarding patent infringement.

Based on its earlier findings that the German purchaser committed patent infringement by means of the acts stated above, the Mannheim District Court’s decision focused on the liability of the foreign defendant. With respect to general legal principles, the Mannheim District Court, first, clarified that, in the case at hand, the defendant, which exclusively acted abroad, was neither liable for direct patent infringement nor for intentionally supporting the German purchaser’s infringement of the patent-in-suit in Germany. Also, joint infringement of the foreign defendant and the German purchaser was denied because there was no evidence for a joint “plan of action”. Therefore, the liability of the defendant could only be based on the principles of negligent contribution to intentional patent infringement of the German purchaser. According to the established case law of the German Federal Supreme Court, such liability for negligent contribution to a third party’s patent infringement requires that (1) the defendant sets an additional cause for this infringement by failing to prevent the infringement, although this was expected of him (due to his earlier facilitating of the patent infringement); and (2), by doing this, the defendant violates a legal obligation which has the very purpose to protect the infringed patent right. According to the German Federal Supreme Court, it must be determined in each individual case by the weighing of all involved interests and relevant legal evaluations whether and to what extent such legal obligation exists (*cf.* German Federal Supreme Court, judgment of September 17, 2009 – “MP3 Player Import”, BARDEHLE PAGENBERG IP Report 2010/1).



Dr. Thomas Gniadek



Michael Kobler



Applying these general principles the District Court held that the foreign defendant was liable for negligently contributing to the purchaser's direct patent infringement for the time period starting from May 9, 2012 (following the receipt of the warning letter).

This is based on the reasoning that the defendant did not stop the delivery of the attacked side airbags and did not carefully examine the legal situation although the defendant had received a warning letter sent by the plaintiff. In its reasoning, the Mannheim District Court further outlined that a foreign supplier was not generally obliged to examine whether the supplied devices infringed any IP rights in Germany – solely based on the fact that the foreign supplier knew that the devices were delivered to Germany. This follows from the established legal rules of due diligence and the principle

of territoriality according to which a foreign defendant acting in accordance with the laws of his own jurisdiction may legitimately rely on the expectation that a German purchaser knows the legal situation in Germany and does not commit any patent infringement in Germany. However, upon receipt of a warning letter – here: on May 7, 2012 – the defendant has an obligation to examine whether the produced devices actually make use of the technical teaching of the patent-in-suit and whether the German purchaser was authorized to use the patented invention in Germany. The District Court found that the defendant did not sufficiently comply with this obligation, in particular because he did not seek legal advice by a specialized attorney-at-law or patent attorney but simply rejected the patent owner's allegations, evidently without sufficient examination of the factual and legal situation.

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#### Remarks

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The decision at hand follows the route established by the German Federal Supreme Court in the “MP3 Player Import” decision. In contrast to a German supplier or a freight company, a foreign supplier has no general obligation to examine the legal situation regarding intellectual property rights in Germany. However, such legal obligation to examine arises if the foreign supplier is pointed to the specific facts supporting the allegation of patent infringement.

In this regard, the decision at hand highlights that the foreign supplier may not simply reject or ignore a warning letter without gathering additional and reliable information, *i.e.*, by consulting a qualified lawyer. On the patent owner's side, the decision shows the practical value of sending a warning letter prior to commencing legal action – particularly if foreign companies are involved.

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**3. Court of Justice of the European Union: Trademark application made in bad faith – Concept of bad faith under European Union law – Knowledge of use of mark abroad (decision of June 27, 2013 – Case C-320/12 – Malaysia Dairy Industries v Ankenævet for Patenter og Varemærker)**

Reported by Professor Dr. Alexander von Mühlendahl, J.D., LL.M.

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**Since at least 1965 the Japanese company Yakult Honsha is marketing a milk-based drink under the mark YAKULT in distinctive yellow bottles. The bottle is protected as a 3D trademark in many countries. Malaysia Dairy is also marketing a similar product in similar get-up and has, since 1980, trademark registrations, including in Malaysia. In 1993 Malaysia Dairy and Yakult entered into an agreement concerning use and registration of their bottles. In 1995, Malaysia Dairy applied for the registration of a representation of a bottle in Denmark. Yakult opposed, invoking a provision in Danish trademark law, which adds to the relative grounds of refusal the existence of a mark abroad and the filing of an identical or similar application in Denmark with knowledge of the mark abroad. That provision (Section 15 (3) (iii) of the Danish Trademark Law) reads as follows:**

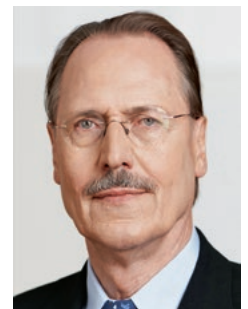
A trademark is also excluded from registration if (...) it is identical to or differs only insubstantially from a trademark which at the time of the application, or as the case may be the time of priority claimed in support of the application, has been brought into use abroad and is still used there for goods or services of the same or similar kind as those for which the later mark is sought to be registered, and at the time of the application the applicant knew or should have known of the foreign mark.

This provision is based on an optional provision in the 1988 Trademark Directive which reads as follows (Article 4 [4] [g] of the Directive):

Any Member State may, in addition, provide that a trademark shall not be registered or, if registered, shall be liable to be declared invalid where, and to the extent that (...) the trademark is liable to be confused with a mark which was in use abroad on the filing date of the application and which is still in use there, provided that at the date of the application the applicant was acting in bad faith.

In first instance, Yakult lost but on appeal to the Appeals Board (in Danish: “Ankenævet”) Yakult prevailed. Malaysia Dairy appealed to the See and Maritime Court, which confirmed, and then to the Danish Højesteret (Supreme Court). That court referred three questions to the Court of Justice of the European Union (“ECJ”) for a preliminary ruling:

1. Is the concept of bad faith in Article 4 (4) (g) of Directive 2008/95 (...) an expression of a legal standard which may be filled out in accordance with national law, or is it a concept of European Union law which must be given a uniform interpretation throughout the European Union?
2. If the concept of bad faith in Article 4 (4) (g) of Directive 2008/95 is a concept of European Union law, must the concept be understood as meaning that it may suffice that the applicant knew or should have known of the foreign mark at the time of filing the application, or is there a further requirement concerning the applicant’s subjective position in order for registration to be denied?
3. Can a Member State choose to introduce a specific protection of foreign marks which, in



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relation to the requirement of bad faith, differs from Article 4 (4) (g) of Directive 2008/95, for example by laying down a special requirement that the applicant knew or should have known of the foreign mark?

As regards the first question, there could be no doubt about the answer: All of the terms in EU legislation are interpreted “autonomously” – they must be given a uniform interpretation in the EU. As regards the second question, previous case law, notably the ECJ judgment of June 11, 2009, in Case C-529/07, *Chocolade-fabriken Lindt & Sprüngli* (see *BARDEHLE PAGENBERG IP Report 2009/III*), had already concluded that knowledge per se does not suffice to establish bad faith, and as regards the third question, the ECJ continues its case law which generally does not allow a margin to national legislatures when specific options are included in Directives.

The ECJ concluded as follows:

1. Article 4 (4) (g) of Directive 2008/95/EC of the European Parliament and of the Council of October 22, 2008 to approximate the laws of the Member States relating to trademarks must be interpreted as meaning that the concept of ‘bad faith’, within the meaning of that provision, is

an autonomous concept of European Union law which must be given a uniform interpretation in the European Union.

2. Article 4 (4) (g) of Directive 2008/95 must be interpreted as meaning that, in order to permit the conclusion that the person making the application for registration of a trademark is acting in bad faith within the meaning of that provision, it is necessary to take into consideration all the relevant factors specific to the particular case which pertained at the time of filing the application for registration. The fact that the person making that application knows or should know that a third party is using a mark abroad at the time of filing his application which is liable to be confused with the mark whose registration has been applied for is not sufficient, in itself, to permit the conclusion that the person making that application is acting in bad faith within the meaning of that provision.

3. Article 4 (4) (g) of Directive 2008/95 must be interpreted as meaning that it does not allow Member States to introduce a system of specific protection of foreign marks which differs from the system established by that provision and which is based on the fact that the person making the application for registration of a mark knew or should have known of a foreign mark.

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## Remarks

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The ECJ has clearly accelerated the disposition of preliminary rulings – in the present case the questions reached the ECJ in July 2012, and the decision – in all 23 EU languages – was pronounced on June 27, 2013. The ECJ held no Hearing, and no Opinion was delivered by the Advocate General. This usually signifies an “easy” case. And indeed, the answers do not come as a surprise.

“Bad faith”, relevant not only in the context of the Directive but also as an “absolute” ground of invalidation in Community trademark law, is developed on a case-by-case basis, following the following “rule” announced in the *Lindt & Sprüngli* case:

53 Having regard to all of the foregoing, the answer to the questions referred is that, in order to determine whether the applicant is acting in



bad faith within the meaning of Article 51 (1) (b) of Regulation No 40/94, the national court must take into consideration all the relevant factors specific to the particular case which pertained at the time of filing the application for registration of the sign as a Community trademark, in particular:

- the fact that the applicant knows or must know that a third party is using, in at least one Member State, an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought;
- the applicant’s intention to prevent that third party from continuing to use such a sign; and
- the degree of legal protection enjoyed by the third party’s sign and by the sign for which registration is sought.

This “rule” was announced in relation to cases where there is an earlier use or mark, and it is therefore by no means exhaustive for other circumstances involving bad faith. Interestingly, the ECJ avoided going into the issue of the applicants “subjective position”. The Yakult judgment also shows that fact-specific references rarely provoke the Court to make general statements: When the question was whether knowledge amounts to “bad faith” without more, the answer was simple: No.

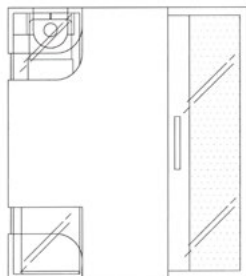
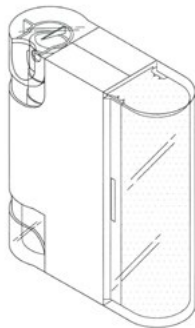
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**4. General Court of the European Union: Invalidation of registered Community design because of conflict with an earlier Community trademark (decision of April 25, 2013 – Case T-55/12 – Su-Shan Chen v OHIM and AM Denmark – Cleaning Device)**  
Reported by Dr. Philippe Kutschke

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**The General Court of the European Union confirmed a decision invalidating a registered Community design because of likelihood of confusion with an earlier three-dimensional Community trademark, clarifying the principles governing such conflicts.**

The contested design (RCD No. 1027718-0001), a component of a “cleaning device”, comprises seven representations of the design, *inter alia* the following two:



The application for a declaration of invalidity of the later design was based on Article 25 (1) (e) CDR, which provides that “a Community design may be declared invalid if a distinctive sign is used in a subsequent design, and Community law or the law of the Member State governing

that sign confers on the right holder of the sign the right to prohibit such use”. The Applicant claimed that the contested design had to be declared invalid because it infringed its earlier three-dimensional Community trademark (CTM No. 5185079), *inter alia* registered for “equipment and containers for cleaning” in Nice class 21, the registration showing the following representation:



More precisely, the Applicant claimed likelihood of confusion between its earlier three-dimensional Community trademark and the contested RCD, *i.e.*, violation of Article 9 (1) (b) CTMR. The Invalidity Division of the OHIM upheld the application for a declaration of invalidity, arguing that there exists likelihood of confusion between the earlier 3D-trademark and the contested design. This decision was confirmed by the OHIM’s Third Board of Appeal. The General Court confirmed.

To start with, the Court found that “use” in terms of Article 25 (1) (e) CDR does not require a full and detailed reproduction of the earlier sign in the design concerned, because the public retains only an imperfect memory of the signs and, thus, will not necessarily notice minor



Dr. Philippe Kutschke



changes. In the present case, the fact that both signs coincide in their basic shape (“compact rectangular body rounded at the edges which houses a spray device and a cylindrical sponge”) would suffice to find “use” in terms of Article 25 (1) (e) CDR and, simultaneously, to find a sufficient degree of similarity in terms of Article 9 (1) (b) CTMR, although there obviously exist differences between the conflicting signs.

The holder of the contested design challenged invalidity of the earlier Community trademark, however, without filing an invalidity request. The General Court dismissed this argument, confirming its longstanding case law that it would have been the obligation of the design holder to file a request for invalidation of the earlier mark and request stay of the present

proceedings, because the Court was bound to the Office’s decision to register the earlier trademark and, therefore, could not find the earlier mark to lack distinctiveness.

Nevertheless, the Court found that the shape of the contested design was sufficiently unusual and striking compared to other products in the field concerned and, therefore, would be perceived by the public concerned as an indication of origin of the cleaning products, *i.e.*, as a trademark. Given that the conflicting goods were identical and the conflicting signs similar to a high degree, in parts even identical, the Court came to the result that from the perception of the general public, there is likelihood of confusion in terms of Article 9 (1) (b) CTMR, although the earlier mark may only enjoy a weak degree of distinctiveness.

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## Remarks

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This is the first decision of the General Court actually confirming a declaration of invalidity of a registered design because of a conflict with an earlier (Community) trademark. An earlier decision of the Court, at first sight, appeared to deal with the very same constellation: a Community design that had been declared invalid for likelihood of confusion with an earlier Community trademark (*cf.* decision of May 12, 2010, Case T-148/08; IP Report 2010/II). However, looking closer at the earlier case shows that the earlier mark in fact was not, as the Board of Appeal had assumed, a three-dimensional mark. The General Court annulled the contested decision because of the confusion about the nature of the earlier mark. In the meantime, the Beifa case resulted in a second judgment of the General Court, this time confirming the declaration of invalidity (decision of June 27, 2013, Case T-608/11; see our parallel report in this issue).

Nevertheless, the Court found that the shape of the contested design was sufficiently unusual and striking compared to other products in the field concerned and, therefore, would be perceived by the public concerned as an indication of origin of the cleaning products, *i.e.*, as a trademark. Given that the conflicting goods were identical and the conflicting signs similar to a high degree, in parts even identical, the Court came to the result that from the perception of the general public, there is likelihood of confusion in terms of Article 9 (1) (b) CTMR, although the earlier mark may only enjoy a weak degree of distinctiveness.

Although the case concerns a Community design, the relevant criteria to determine whether or not the design has to be declared invalid derive from trademark law. In genuine trademark conflicts, courts appear to have difficulties in accepting that the shape itself has an origin-indicating function. As an example we may refer



to the various decisions in the “Golden Bunny”-Saga (cf. BARDEHLE PAGENBERG IP Report 2012/II, 2011/I, 2008/II and 2006/VI).

Compared to these difficulties, the present decision appears to strengthen the position of right holders of three-dimensional trademarks insofar as the decision imposes the burden of proof that the public concerned will not perceive the shape of the product under attack as an indication of origin, *i.e.*, as a trademark, on the defendant, not the claimant. This contradicts German case law where the burden was placed on the claimant. It will be interesting to see how German courts will apply this decision.

Finally, the decision reveals another at least surprising point of view: When filing a three-dimensional trademark application, some right holders tend to file the shape together with other (distinctive) elements, *e.g.*, word elements, in order to avoid objections based on absence of distinctive character.

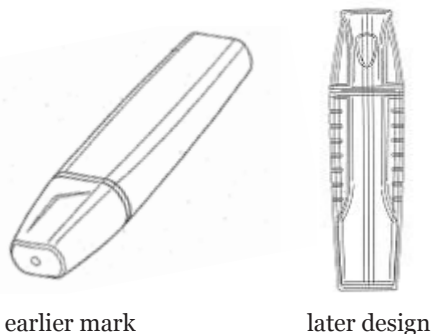
The present case demonstrates the merits of this approach also as regards conflicts between 3D marks and later signs, because the Court essentially only compared the shapes, finding that the word element “am” in the earlier mark would not even be recognized by the general public.

**5. General Court of the European Union: Conflict between earlier national trademark and later registered Community design (decision of June 27, 2013 – Case T-608/11 – Beifa v OHIM and Schwan-Stabilo)**

Reported by Karin Costescu

**In our IP Report 2010/II we reported on the first decision of the General Court regarding the invalidity of a Community design because of likelihood of confusion with an earlier national trademark (decision of May 12, 2010 – Case T-148/08 – Beifa v OHIM and Schwan-Stabilo). As a reminder, the background of the case is as follows:**

On May 27, 2005, Beifa Group Co Ltd filed an application for registration of a Community design. On March 23, 2006, the intervener, Schwan-Stabilo Schwanhäuser GmbH & Co KG, submitted to OHIM an application for a declaration that the design in dispute was invalid because in conflict with its earlier German trademarks. The Invalidity Division of OHIM upheld the intervener's application for a declaration of invalidity. OHIM's Board of Appeal dismissed the appeal by decision of January 31, 2008. By its judgment of May 12, 2010, the General Court annulled this decision because the Board of Appeal had not clearly identified the earlier mark. On remand to the Board, the Board again dismissed the applicant's appeal. The contested design and the earlier 3D trademark were the following:



The Court was called upon to interpret Article 25 (1) (e) CDR, which reads as follows: “A Community design may be declared invalid (...) if a distinctive sign is used in a subsequent design, and Community law or the law of the Member State governing that sign confers on the right holder of the sign the right to prohibit such use (...)”

The first three pleas, not relevant for this Report, related to procedural aspects; all were dismissed.

In its fourth plea, the Applicant claimed that it is apparent from the very wording of Article 25 (1) (e) CDR that, contrary to the finding of the Board of Appeal, provision cannot be relied upon by the proprietor of a distinctive sign where the sign used in a subsequent design is not the sign in question but only a similar sign. In its fifth plea, the Applicant alleged an error of law because the Board had rejected the request for proof of genuine use of the earlier mark. In its sixth plea, the Applicant claimed that the Board of Appeal failed to examine the extent to which the contested Community design and the earlier three-dimensional mark were similar. In its seventh plea, finally, the Applicant alleged incorrect application of Article 25 (1) (b) CDR.

As regards the fourth plea, the General Court maintained its previous finding that similarity of the mark and the design in trademark terms is sufficient (para. 82 and Judgment of May 12, 2010, Case T-148/08, para. 50 to 59).

As regards the fifth plea, the Court held that the Applicant had the right to submit a request before the Invalidity Division for proof of use of the earlier mark. However, the Applicant raised



Karin Costescu



the issue of proof of genuine use of that mark for the first time before the Board of Appeal. The General Court stated that a request for proof of genuine use made for the first time before the Board of Appeal is inadmissible and cannot be taken into consideration and examined by the Board of Appeal.

As regards the Applicant's sixth plea, the General Court held that the Board of Appeal assessed the question whether a likelihood of confusion exists on the part of the public correctly as all factors relevant to the circumstances of the case were taken into account. In the present case, the

differences between the contested Community design and the trademark were insufficient to prevent features of the trademark from being discernible in the contested design. The earlier 3D trademark and the contested design were, therefore, correctly considered similar.

As regards the Applicant's seventh plea, the General Court held that even if it is assumed that this plea was well founded, the Applicant cannot, in any event, secure annulment of the contested decision, as the first six pleas relating to the first ground for invalidity had been rejected.

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## Remarks

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The present decision is interesting because of the following reasons:

Firstly, it clarifies that "use" of a prior sign in a later design does not require identical reproduction – the question is one of infringement, with the standards being taken from trademark law, including the "imperfect recollection" test.

Secondly, when considering whether a later Community design is invalidated by an earlier mark, the question of whether the later design is "used as a trademark", *i.e.*, has an origin-indicating function, is irrelevant. Thirdly, "use in the course of trade" was no hurdle for the Court. This is correct, as otherwise the ground of invalidity would in most cases be irrelevant.

Unresolved still is what happens in invalidity proceedings if the conflicting goods are not identical. The Court had not to deal with this issue in the present case as the design was clearly intended for the same purpose as the goods for which the trademarks were protected, *i.e.*, writing instruments. Moreover, what would have happened if the applicant raised its objection to the genuine use of the earlier trademark in time? Would Schwan-Stabilo have been able to prove genuine use for its trademarks since the shape of the 3D mark is used always in conjunction with word and device elements? All these issues would also arise when a trademark proprietor would bring an action for infringement, rather than invalidation. So far, we are not aware of any case where this kind of conflict was the subject matter of the litigation.

**6. German Federal Supreme Court: Infringement of foodstuffs legislation as unfair competition – Parallel importation of foodstuffs – Exceptions to exhaustion of rights (decision of November 22, 2012 – Case I ZR 72/11 – Barilla)**

Reported by Prof. Dr. Alexander von Mühlendahl, J.D., LL.M.

The defendant (not identified in the judgment as published) imported genuine “Barilla” products from Italy and sold them in a German supermarket. He applied stickers to the outer packaging which partly obscured the “Barilla” trademark. What follows are examples of the appearance of the products as placed on the market in Germany:



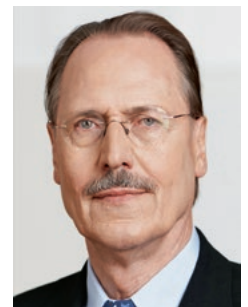
The claimant, proprietor of the Community trademark No. 3208758 “Barilla” pictured below



sued for injunctive and other relief, claiming infringement of food labeling laws and trademark infringement.

As regards the food labeling rules, which applied, *inter alia*, to the “best before” indication and the indication of ingredients, the Court found that by not conforming to German legislation, which has implemented EU labeling laws, the defendant had committed an act of unfair competition.

As regards trademark infringement, the Court held that Article 13 (2) of the Community Trademark Regulation applied, which allows the proprietor of the mark to contest the use of his mark on goods lawfully put on the market in another member state of the EU. Barilla had argued that the defendant should have complied with the rules established by the Court of Justice for parallel imports and repackaging, relabeling etc. of pharmaceutical products. The Court held that a 1:1 application of these rules was not called for, notably the obligation to submit a sample of the product to the trademark proprietor and identify the person having done the relabeling. However, as regards “shoddy” appearance and placing the sticker on top of and thus partly obscuring the “Barilla” mark, the parallel importer had infringed the claimant’s mark.



Professor Dr. Alexander  
v. Mühlendahl, J.D., LL.M.



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**Remarks**

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The judgment is interesting because it is one of the relatively rare cases having reached courts of last resort involving parallel imports of goods other than medicines. The “Ballantines” whisky case (ECJ, November 11, 1997, Case C-349/95 – Loendersloot) is a prominent example, although now some 15 years old. Of the measures required of parallel importers in medicine cases, as summarized most comprehensively in

the ECJ judgment of July 11, 1996 (C-427/93 – Bristol-Myers Squibb), including giving notice and supplying the trademark proprietor with a sample, the German Supreme Court considers the sample requirement and the indication of the importer as excessive. That does sound reasonable, as does the conclusion that the importer may not “over-sticker” the trademark itself.

**7. German Federal Supreme Court: Relevant circles in case of “reverse product placement” (decision of December 5, 2012 – Case I ZR 135/11 – Duff Beer)**

Reported by Adrian Kleinheyer

In the case at hand, the claimants filed an action for revocation of the German figurative trademark No. 39901100 “Duff Beer” due to alleged non-use. The defendant asserted use of his trademark “in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered” (Section 26 [3] (a) German Trademark Act). Since the “Duff Beer” is well-known as a fictitious beer brand appearing in the US cartoon series “The Simpsons”, the German Federal Supreme Court had to identify the relevant circles in such case – either the audience of the cartoon series or the consumers of the real life product, i.e., beer consumers.

trademarks (both registered for “beer” on April 28, 2009 and August 21, 2009), and brought an action for revocation because of non-use.



Claimant’s German trademark No. 302008077070



Claimant’s German trademark No. 302009021478



Adrian Kleinheyer



Defendant’s German trademark No. 39901100



Bottle label of the beer sold by the defendant

The label on the left is registered in the name of the defendant as German trademark No. 39901100 since June 8, 1999, in Nice class 32 for, *inter alia*, “beer” (“prior mark”). The label on the right was used on beer bottles sold by the defendant from 2004 to 2009. Does such use amount to genuine use of the prior mark? No, thought the owners of the two following

Section 26 (3) Sentence 1 German Trademark Act, corresponding to Article 10 (1) (a) Trademark Directive (2008/95/EC), provides that genuine use of a trademark includes “use of the trademark in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered”. The Nuremberg Appeal Court found that the requirements of this provision are met, given that the distinctive part of the prior mark, the word element “Duff Beer”, is the dominant element of the defendant’s trademark and his label, while differences in font, style and colors were considered to be marginal factors.

The Federal Supreme Court confirmed. According to established case law, distinctiveness of a word & device mark usually results from the verbal element. The figurative element, however, can be of importance where the phonetic element is rather descriptive. In the case at hand the Court found that “Duff” does not have any descriptive connotation within the relevant national circles of beer drinkers.



The claimants (asserting lack of use of the prior mark) argued that “Duff Beer” is well-known as the favorite drink of Homer Simpson, protagonist in the cartoon series “The Simpsons”. Accordingly, the audience of “The Simpsons” would pay attention not only to the name “Duff” but also to the graphical design of the bottle label and, thus, perceive differences between the label as used (similar to the cartoon “Duff” as can be seen) and the prior mark as being significant. Such differences would preclude the mark as used being taken as an acceptable variant under Section 26 (3) Sentence 1 German Trademark Act.

The Court, instead, found the relevant circles of a trademark registered and used for beer to be beer drinkers, *i.e.*, “a broad public of adult consumers” and not only fans of “The Simpsons” even though the trademark holder most obviously tried to attract especially fans of “The Simpsons” by way of such “reverse product placement”. According to the Court, the reasonably well-informed and reasonably observant and circumspect (beer-)consumer would mainly pay attention to the word element “Duff Beer”, and not to the rather ornamental graphic design. Consequently, the Court held that the bottle label shown above represents a genuine use of the prior mark.

**8. German Federal Supreme Court: Genuine use – Use of a variant (decision of January 10, 2013 – Case I ZR 84/09 – PROTI II)**

Reported by Professor Dr. Alexander von Mühlendahl, J.D., LL.M.

In 2011, the German Federal Supreme Court had referred a series of questions to the Court of Justice of the European Union (“ECJ”) seeking answers to the question whether use of a variant of a registered mark was sufficient to maintain trademark rights in the registered version even if the used variant was itself also registered. The ECJ had replied barely one year later (judgment of October 25, 2012, Case C-553/11 – Rintisch) that registration of the used version was not an obstacle to attributing the use to a separately registered mark (see BARDEHLE PAGENBERG IP-Report 2012/V).

Upon return to the German Supreme Court, the conflict between various “PROTI” marks of the claimant and the mark “Protifit” of the defendant, including the question whether used variants did not significantly alter the distinctiveness of the mark as registered, had to be resolved.

The Court compared the following registered marks

PROTI

PROTIPLUS



with the following marks as used:



Variant 1



Variant 2



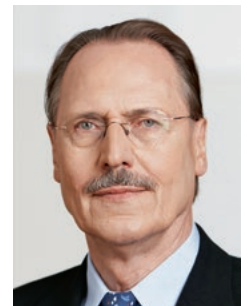
Variant 3



Variant 4



Variant 5



Prof. Dr. Alexander von Mühlendahl, J.D., LL.M.



As regards the variants 4 and 5, the Court agrees that these two amount to a significant alteration of the registered word mark PROTI. However as regards the second and the third variant, these cannot be disregarded because the PROTI element in the marks as sued remains a separate entity in the used versions

(the same was true for variant 1 when used as a word mark). The Court remanded the case to the Cologne Appeal Court because that court had not made any reviewable findings as regards the actual use made by the accepted variants and as regards likelihood of confusion.

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#### Remarks

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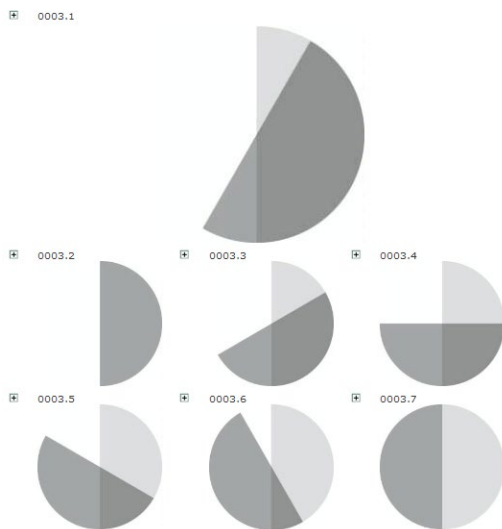
While the ECJ judgment in the first PROTI case was received with relief in Germany, and perhaps elsewhere as well, the German Supreme Court's second PROTI judgment adds merely one more case to the growing case law on the often hotly disputed issue of whether a used variant amounts to a significant or insignificant alteration of the registered mark. Interestingly,

the German Supreme Court considers this essentially a question of law and thus decides these points itself on review of lower court judgments, while in other jurisdictions, and in the cases reaching the ECJ from the General Court, the question is considered an issue of fact and thus corresponding findings are not disturbed on appeals on points of law.

**9. General Court of the European Union: Validity of a registered Community design (decision of June 6, 2013 – Case T-68/11 –Kastenholz v OHIM and Qwatchme)**  
 Reported by Dr. Henning Hartwig

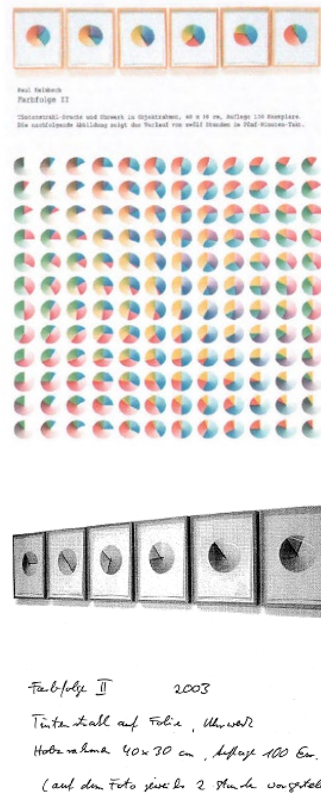
**On June 6, 2013, the General Court of the European Union, final instance for assessing, as a question of fact, the overall impression of two conflicting designs, issued a further decision on the validity of a Community design under the so-called “individual character” test.**

The contested Community design No. 602636-0003, represented in black and white as follows



was registered in Locarno Class 10-07 for “watch dials, parts of watch dials, hands of dials”. The design was challenged (i) on the grounds of allegedly constituting an unauthorized use of a work protected under German copyright and (ii) on the grounds of an alleged lack of novelty and individual character under the Community Design Regulation (“CDR”). In

both cases the Applicant relied, *inter alia*, on the references pictured below:



Dr. Henning Hartwig

The General Court, firstly, denied claims for copyright infringement as the Applicant failed to provide “any information as to the scope of copyright protection in Germany, in particular as to whether, under German law, copyright protection prohibits the unauthorized reproduction of the idea underlying the earlier works of art, and (was) not limited to protecting the configuration or features of those works.”



Turning, secondly, to the asserted lack of novelty, the Court started with providing helpful guidance on the relation between “novelty” (Article 5 CDR) and “individual character” (Article 6 CDR) of a Community design:

[38] (...) the wording of Article 6 goes beyond that of Article 5. Consequently, the differences observed between the designs at issue in the context of Article 5 may, especially if they are slight, not be sufficient to produce on an informed user a different overall impression within the meaning of Article 6. In that case, the contested design may be regarded as being new within the meaning of Article 5 but will not be regarded as having individual character within the meaning of Article 6.

[39] By contrast, to the extent that the requirement laid down in Article 6 goes beyond that laid down in Article 5, a different overall impression on the informed user within the meaning of Article 6 can be based only on the existence of objective differences between the designs at issue. Those differences must therefore be sufficient to satisfy the requirement of novelty in Article 5 (...). Consequently, (...) the requirements of novelty and individual character overlap to some extent.

In the present case, the Court found various details which “(...) constitute, from an objective point of view and irrespective of their consequences for the overall impression produced on the informed user, significant differences between the designs at issue, which make it possible to recognize the novelty of the contested design.” The Court also found that the Board of Appeal could not “(...) be accused, in the assessment of the differences between the designs at issue, of failing to take account of the fact that the contested design was registered in black and white and cannot be criticized for not finding that color was irrelevant in circumstances such as those of this case.”

Thirdly and lastly, the General Court when applying the individual character test re-confirmed, as an initial remark, that the “(...) Board of Appeal did not take account of the difference in color between the designs at issue for the purpose of assessing the individual character of the contested design.” The Court continued to find that in

[62] (...) the present case, concerning watch dials, parts of watch dials and hands of dials, the view must be taken that they are intended to be worn visibly on the wrist and that the informed user will pay particular attention to their appearance. Indeed, he will examine them closely and will therefore be able to see (...) that the earlier designs produce a larger combination of colors than the contested design and, unlike the latter, a variation in the intensity of the colors. Given the importance of the appearance of those products to the informed user, the differences, even if assumed to be slight, will not be regarded by him as being insignificant.

In addition to that, the General Court also confirmed the “(...) finding of the Board of Appeal that the degree of freedom of the designer is limited only by the need to track and display the changing hours (...)”. Actually, the Court referred to the description of the contested design which reads “watch dials, parts of watch dials, hands of dials”. That description, according to the Court, is “(...) quite broad, for it does not contain any detail as to the type of watches or the way in which they show the time.” Therefore, as a result, the freedom of the designer was not limited for technical reasons. As a closing remark, the Court held that, as a rule,

[72] (...) the law relating to designs protects the appearance of the whole or a part of a product, but does not expressly protect the ideas that prevailed at the time of its conception. Therefore, the Applicant cannot seek to obtain, on the basis of the earlier designs, a protection for those designs’ underlying idea, that is, the idea



of a watch dial that makes it possible to tell the time on the basis of the colors of the discs that compose it.

Overall, the Court concluded that the Board of Appeal was correct to hold that existing differ-

ences had a significant impact on the overall impression produced by the designs at issue, so that they produce a different overall impression from the point of view of an informed user. As a consequence, the Court found the contested Community design to have individual character.

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### Remarks

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“*Kastenholz*” provides some interesting, refined guidance (apart from confirming established standards) for examining designs as to their novelty and individual character. Firstly, when comparing the overall impression of an earlier design disclosed in color with the overall impression produced by the challenged Community design represented in black & white, differences in color shall not be taken into account. Secondly, the Court confirmed that in case of watch dials the degree of freedom of the designer is limited only by the need to track and display the changing hours. In this respect, thirdly,

the Court referred to the Locarno classification of the challenged Community design which reads “watch dials, parts of watch dials, hands of dials”, being “quite broad” and “not containing any detail as to the type of watches or the way in which they show the time”. It appears that although the indication of the product “(...) shall not affect the scope of protection of the design as such” (Article 36 [6] CDR), recourse to such indication in order to find a broad, average or narrow degree of freedom of the designer under Article 6 (2) CDR seems nonetheless acceptable.

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**10. German Federal Supreme Court: Proof of ownership of an unregistered Community design (decision of December 13, 2012 – Case I ZR 23/12 – Bolerojäckchen / Bolero Jacket)**

Reported by Dr. Henning Hartwig

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**Recently, Germany's Federal Supreme Court provided helpful guidance on the significance of proof of ownership of an unregistered Community design under the Community Design Regulation (“CDR”). Interestingly, the Court refused to refer the case to the Court of Justice of the European Union pursuant to Article 267 (3) Treaty on the Functioning of the European Union as the law was “acte claire”.**

Claimant and defendant were acting as textile trading companies selling clothing through their stores. The claimant’s portfolio included the bolero jacket pictured below (earlier design):

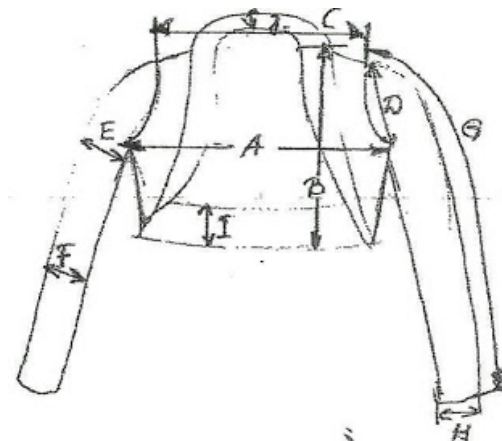


The claimant asserted claims for infringement of an unregistered Community design right through the use by the defendant of the following design:



Dr. Henning Hartwig

According to the claimant, the earlier design was designed by the claimant's assistant in July 2006, as evidenced by the following drawing:



The German Federal Supreme Court found that the claimant failed to show that it was proprietor of the earlier design as it was required to prove under Article 14 (3) CDR. The requirements of that provision, according to the Court, had to be shown, under the general rules of burden of proof, by the party who wishes to benefit from the provision. Proof of the origin of the drawing was not sufficient because the earlier design actually did not constitute a product made in accordance with the drawing.

Deciding on the ownership of an unregistered Community design had to be distinguished from the identity of the person who first made the design available to the public within the

Community (Article 11 [1] CDR), said the Court. This was true since disclosing a design could be performed not only by the designer or his/her successor-in-title, but by any third party, such as by a wholesaler or retailer.

The Court also clarified that the presumption of ownership provided for in Article 17 CDR could not be applied to an unregistered Community design right but was limited to registered Community designs. Likewise, Article 85 (2) Sentence 1 CDR would only establish, according to its clear wording, a presumption of validity of an unregistered Community design right, not a presumption of ownership.

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## Remarks

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While the German Supreme Court's decision (contrary to a short first instance decision from the District Court in The Hague in 2005; for details see "Design Protection in Europe", Volume 1, 188 *et seq.*) is most welcome for its detailed, clear and conclusive guidance, the case raises doubts as to whether protection by way of an unregistered Community design is a safe approach to be recommended.

As a first obstacle to be overcome by both Europeans and non-Europeans, a design which has not been made public for the first time within the territory of the Community does not enjoy protection as an unregistered Community design. Hence, actual disclosure within Europe is essential according to "Bakery Press" (*cf.* BARDEHLE PAGENBERG IP-Report 2008/V). Secondly, an unregistered Community design prevents only against use resulting from copying the protected design, allowing the accused infringer to demonstrate that the contested use results from an independent work of creation by a designer who may be reasonably thought not to be familiar with the design made available to

the public by the holder (corresponding questions have been referred, according to "Garden Pavilion", to the Court of Justice of the European Union for a preliminary ruling; *cf.* BARDEHLE PAGENBERG IP-Report 2012/V). Thirdly, as demonstrated in "Bolero Jacket", the owner of an alleged unregistered Community design must prove (without any privilege of legal presumption) that the asserted rights vest in the claimant – clear evidence covering disclosure of the design and, in case of non-identity between designer and claimant, transfer of rights is required and may cause major problems in daily practice (here, non-identity between the disclosed "drawing" and the asserted "earlier design" presented a further obstacle).

In light of this, seeking protection by way of registered design rights (Community-wise and/or national) seems to be a safer alternative, as none of these difficulties arise – disclosure in Europe is not relevant, the applicant enjoys a "grace period" of one year, protection is absolute and not limited to copying, and ownership is presumed.



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# IP Report 2013/III

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