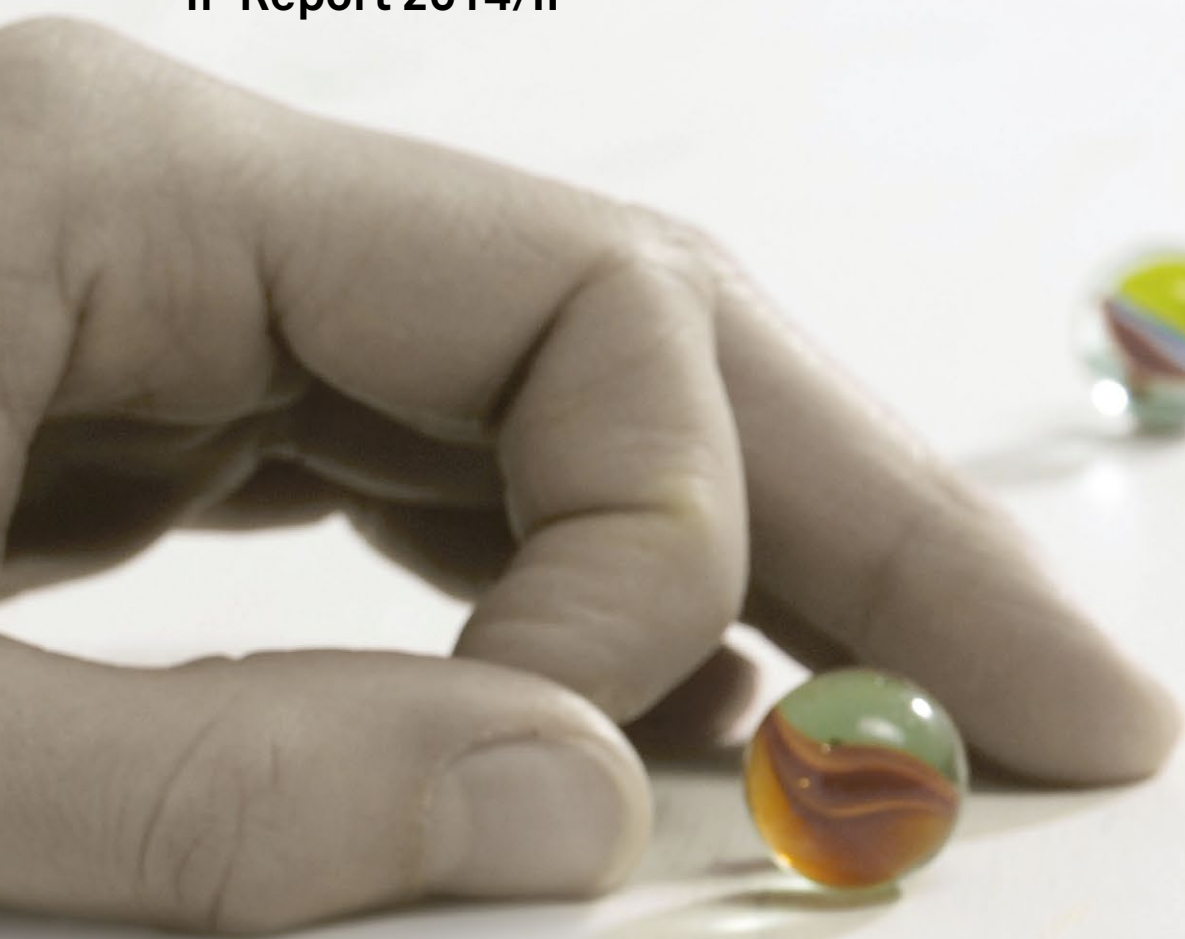
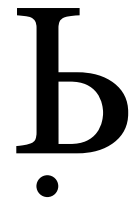




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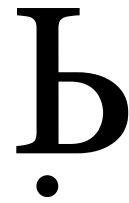
- 4 European Commission on anti-competitive use of standard essential patents by seeking and enforcing injunctions (European Commission – decision of April 29, 2014 – IP/14/489)
- 7 European Commission: Proposal for amending the Designs Directive and harmonizing the aftermarket by introducing a “repair clause” withdrawn

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**Patent Law**

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- 9 1. German Federal Supreme Court on whether therapy-related instructions may contribute to patentability in case of a claim directed to a substance for use in therapeutic treatment (decisions of February 25, 2014 – Cases X ZB 5/13 and X ZB 6/13 – Collagenase I and II)
- 11 2. European Patent Office (Technical Board of Appeal 3.3.05): Admissibility of the appeal – a new obligation to explain that the decision under appeal is erroneous? (decision of October 14, 2013 – Case T 2532/11 – Silica dispersion/AKZO NOBEL)
- 14 3. European Patent Office (Enlarged Board of Appeal): Possible conflict of functions (interlocutory decision of April 25, 2014 – Case R 19/12 – Suspicion of partiality objection to Chairman allowed)
- 18 4. Karlsruhe Appeal Court on preliminary stay of enforcement due to objection of compulsory license under antitrust law (decision of February 19, 2014 – Case 6 U 162/13 – Orange-Book-Defense)
- 20 5. Karlsruhe Appeal Court on “manifest preparation” in case of use patents (decision of February 26, 2014 – Case 6 U 50/12 – Verwendungspatent/Use patent)



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**Trademark Law**

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- 22 6. Court of Justice of the European Union: Jurisdiction over foreign defendant for infringement of Community trademark and for acts of unfair competition (decision of June 5, 2014 – Case C-360/12 – Coty Germany v First Note Perfumes – Coty)
- 25 7. Court of Justice of the European Union: Rules for establishing likelihood of confusion – Earlier mark composed of one element and later mark incorporating earlier mark (decision of May 8, 2014 – Case C-591/12 P – Bimbo v OHIM and Panrico – DOGHNUTS v BIMBO DOUGHNUTS)
- 28 8. Court of Justice of the European Union: Criteria for determining whether a mark may be registered on the basis of acquired distinctiveness – Fixed percentages excluded – Burden of proof (decision of June 19, 2014 – Joined Cases C-217 and 218/13 – Oberbank & Banco Santander v Deutscher Sparkassen- und Giroverband – Sparkassen-Red)
- 31 9. German Federal Supreme Court: Requirements for the cancellation of a trademark due to absolute grounds – Absence of distinctiveness at time of application (decision of November 6, 2013 – Case I ZB 59/12 – Smartbook)
- 32 10. German Federal Supreme Court: Standards of distinctiveness and descriptiveness under German trademark law (decision of February 19, 2014 – I ZB 3/13 – HOT)
- 34 11. Cologne Appeal Court: Use of a chocolate product comprising the shape of a bear wrapped in a golden foil does not infringe word mark “GOLDBÄREN” (decision of April 11, 2014 – Case 6 U 230/12 – Goldbären/Golden bears)

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**Design Law**

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- 36 12. Court of Justice of the European Union: Establishing individual character for unregistered Community designs (decision of June 20, 2014 – Case C-345/13 – Karen Millen v Dunnes)

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## European Commission on anti-competitive use of standard essential patents by seeking and enforcing injunctions (European Commission – decision of April 29, 2014 – IP/14/489)

Reported by Dr. Thomas Gniadek and Michael Kobler

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**The European Commission outlined, according to a press release of April 29, 2014, that seeking injunctive relief before courts is generally a legitimate remedy for holders of standard essential patents (SEP) in case of patent infringements. However, depending on the particular circumstances in which the injunction is used, such use of an injunction based on an SEP may constitute an abuse of a dominant market position prohibited by Article 102 Treaty on the Functioning of the European Union. Here, the European Commission found that Motorola Mobility (“Motorola”) violated EU antitrust rules by both seeking and enforcing an injunction against Apple in Germany on the basis of an SEP which Motorola had committed to license on FRAND terms and where Apple had agreed to take a license and to be bound by a determination of the FRAND license fees by the relevant German court. In particular, the European Commission found it anticompetitive that Motorola insisted, under the threat of the enforcement of an injunction, on license terms according to which Apple gives up its right to challenge the validity or infringement of Motorola’s SEP. Motorola was ordered to eliminate the negative effects resulting from the injunction.**

**The European Commission has not yet issued a reasoning for its decision. This reasoning is expected to be released soon.**

SEPs are patents that are necessary for implementing a specific industry standard. It is not

possible to manufacture or use products that comply with a certain standard without using these SEPs. This may give holders of SEPs considerable power on the market. Therefore, standard developing organizations like the European Telecommunications Standards Institute (ETSI) normally require their members to commit to license their SEPs on so-called FRAND terms, i.e. fair, reasonable and non-discriminatory terms. In the case at hand, Motorola was the owner of SEPs relating to the GPRS standard and Motorola had committed to ETSI to license its SEPs on FRAND terms. Such obligation to license SEP on FRAND terms may also directly follow from EU and German antitrust rules itself. According to the European Commission’s press release, Motorola sought an injunction against Apple before German courts based on alleged infringement of a Motorola SEP which it had committed to license on FRAND terms. Apple agreed to take a license on FRAND terms. However, according to the European Commission’s press release, Motorola insisted, under the threat of the enforcement of an injunction, that Apple committed itself neither to challenge the validity of Motorola’s SEP nor to contest the alleged infringement.

Apple filed a complaint against Motorola’s conduct with the European Commission in 2012. In April 2012, the Commission opened the investigation and on May 6, 2013, a Statement of Objections (Memo/13/403) was issued informing Motorola of the Commission’s preliminary opinion that – under the specific circumstances of this case – seeking and enforcing an injunction constituted a violation of EU antitrust rules.

On April 29, 2014, the European Commission decided that Motorola’s conduct constitutes an



Dr. Thomas Gniadek



Michael Kobler

abuse of its dominant position as an owner of a SEP, therefore violating Article 102 Treaty on the Functioning of the European Union. While the European Commission acknowledged that seeking injunctions generally is a legitimate legal remedy for SEP owners, it pointed out that the situation might be different if an SEP-based injunction is sought against a company which is willing to take a license on FRAND terms. In this case, seeking and enforcing an injunction might lead to unbalanced licensing terms which would be detrimental to innovation and harmful to consumers. According to the European Commission, the threat of an enforcement of the injunction might distort licensing negotiations and might lead to anticompetitive licensing terms that the licensee of the SEP would not have accepted absent the seeking or enforcing of the injunction. The European Commission

also stated that the fact that a company seeking a FRAND license was not willing to give up its right to challenge the validity of the SEP in question or to contest the alleged infringement, did not make the company “unwilling” to take a license. Implementers of standards and ultimately consumers should not have to pay for invalid or non-infringed patents. Implementers should therefore be able to ascertain the validity and contest alleged infringements.

With regard to the legal consequences, the European Commission decided not to impose a fine on Motorola because (1) there was no case-law by the European Commission itself or EU courts regarding the compatibility of SEP-based injunctions with EU antitrust law and (2) national courts within the EU had reached diverging conclusions on this question.

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## Remarks

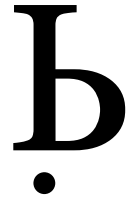
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It is remarkable that the European Commission clearly ruled that, in the context of SEPs and if there is a FRAND commitment, a “willing licensee” was entitled to challenge the validity and the infringement of the SEP in question. This statement conflicts with the current practice of the infringement courts in Germany regarding the antitrust compulsory license defence established by the German Federal Supreme Court in its “Orange-Book-Standard” decision – at least on the basis of its interpretations rendered by the Karlsruhe Appeal Court. It will be interesting to see if and how the European Commission’s present decision will influence national (German) courts as well as the European Court of Justice in their upcoming decisions on the antitrust compulsory license defence. The European Court of Justice is supposed to render a preliminary ruling based on a referral submitted by the Dusseldorf District Court with respect to the patent infringement proceedings of Huawei and ZTE. With this

referral of March 2013, the Dusseldorf District Court expressly asked the European Court of Justice to specify whether Article 102 Treaty on the Functioning of the European Union, insofar as the abuse of a dominant position in the market requires an acceptable unconditioned offer to conclude a license agreement, stipulates or allows that the license offer made by defendant can be made under the condition that the SEP is in fact used and/or is held to be valid (*cf.* BARDEHLE PAGENBERG IP Report 2013/II).

Apart from the foregoing, the European Commission pointed out that whether and when a company can be considered a “willing licensee” needs to be determined on a case by case basis taking into account the specific facts at hand (Memo/14/322).

Further, the European Commission did not outline what a reasonable royalty rate is. Instead, it stated that courts and arbitrators are well-



placed to set FRAND rates in case of disputes. However, to the extent they deem necessary, national courts might seek guidance from the European Commission on the interpretation of EU competition law. In this context, the European Commission revealed that, in November

2013, the Mannheim District Court had asked the European Commission a number of questions in relation to the setting of FRAND rates in the SEP dispute between Motorola and Apple. The European Commission will publish its response to these questions on its website (Memo/14/322).

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## European Commission: Proposal for amending the Designs Directive and harmonizing the aftermarket by introducing a “repair clause” withdrawn

Reported by Dr. Henning Hartwig

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### I.

Whether and to which extent spare parts – particularly car spare parts – should be protected by European design law has been discussed intensely and controversially throughout the 1990s; it was one of the main causes for delayed adoption of the Designs Directive and the Community Designs Regulation and nearly prevented the harmonisation of the national design laws of the EU Member States.

The temporary outcome of this controversy (which took place mainly between the institutions of the EU and the European car manufacturers) resulted in the “freeze-plus” solution laid down in Article 14 Designs Directive and the implementation of the “repair clause” regarding Community designs in Article 110 (1) Community Designs Regulation. According to the latter provision, “protection as a Community design shall not exist for a design which constitutes a component part of a complex product used [...] for the purpose of the repair of that complex product so as to restore its original appearance”. On the national level, the “freeze-plus” solution became part of the Designs Directive. According to Article 14 Designs Directive, the 28 Member States of the EU are allowed to “maintain in force their existing legal provisions” but if they should wish to change their national laws, this must be in favour of liberalisation, *i.e.* changes to existing provisions may be introduced “only if the purpose is to liberalise the market for such parts”. Today, eleven of the 28 Member States have liberalised their national spare parts markets.

### II.

In a new round of negotiations, revision of Article 14 Designs Directive (required by Article 18

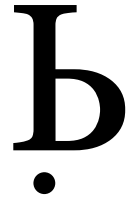
Designs Directive) led to the European Commission’s proposal to amend the Designs Directive by introducing a “repair clause” as well. The European Parliament adopted this proposal with amendments on December 12, 2007, and forwarded it to the Council. Rather unsurprisingly, until now the Council had neither taken nor even scheduled a decision – “unsurprisingly”, because it is well-known that major car-manufacturing countries in the EU, notably Germany and France, were opposed to the proposed liberalisation of the spare-parts market.

Now, according to Volume 57 of the Official Journal of the European Union, published on May 21, 2014, it is reported, under the Section “Withdrawal of obsolete Commission Proposals” (OJEU 2014 No C 153 page 6), that the European Commission’s “Proposal for a Directive of the European Parliament and of the Council amending Directive 98/71/EC on the legal protection of designs” has been withdrawn. As a consequence, efforts to harmonize European design law further and to establish a Europe-wide “repair clause” must be considered terminated, at least for the time being.

National design laws which do not provide for such a clause (such as, for instance, Germany) will continue to allow protection and enforcement of design rights covering spare parts; no infringer, under that scenario, will be allowed, in return, to raise the defence of legitimate use for repair reasons. Different from Germany and other countries (*e.g.* France), Member States such as Belgium, Italy, the Netherlands, Poland, Portugal, Spain and the United Kingdom have introduced the “repair clause”, providing for a defence when using car spare parts for the purpose of repair.



Dr. Henning Hartwig



III.

Not much to our surprise, first reactions from national and European aftermarket supplier associations show that these lobby groups will continue to fight, from their perspective, for liberalising the spare parts market. In return, Germany and France, in particular, being the home of strong and important car industries will continue supporting the interests of original equipment manufacturers. There seems to be little hope, from the suppliers' perspective, that these countries will opt for the "plus" solution and introduce changes to their existing national provisions in order to liberalise the market for spare parts. As a consequence of this *status quo*, original manufacturers of spare parts should continue to file nationally in those countries

providing design protection for spare parts, including the right to prevent the use of such designs for the purpose of repair.

Interestingly, and as a final remark, while the "repair clause" discussions largely focus on the battle between car makers and car suppliers, the spare part issue is not limited to that industry. Rather, given that the relevant terminology ("design which constitutes a component part of a complex product used for the purpose of the repair of that complex product so as to restore its original appearance") is not further qualified, any part of a "complex product" including, for instance, smartphones, tablets, vacuum cleaners and coffeemakers, can be the subject of the "repair clause".

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**1. German Federal Supreme Court on whether therapy-related instructions may contribute to patentability in case of a claim directed to a substance for use in therapeutic treatment (decisions of February 25, 2014 – Cases X ZB 5/13 and X ZB 6/13 – Collagenase I and II)**

Reported by Dr. Axel B. Berger

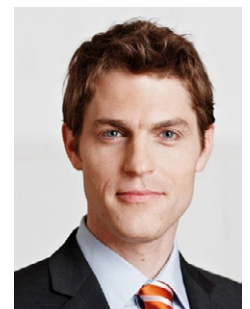
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**Therapy-related instructions (“therapiebezogene Anweisungen”) may contribute to patentability if they objectively aim at allowing, enhancing, accelerating or improving otherwise the effect of a substance. Aspects not relating to the characteristics of the substance and its effect on the human or animal body are, however, to be disregarded pursuant to Section 2a (1) No 2 German Patent Act and Article 53 (c) European Patent Convention.**

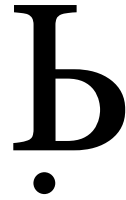
The cases at issue both relate to appeal proceedings before the German Federal Supreme Court that had to decide whether the Federal Patent Court was right in rejecting two German patent applications, DE 198 13 748.6 and DE 100 27 521.4, respectively. Both applications are directed to the enzyme collagenase for use in the treatment of particular, abnormal fasciae made of collagen bundles that lead to distortions of different parts of the body. The collagenase, a protease, is injected into the relevant collagen bundle, where it degrades the collagen and thus provides relief from the medical condition. The use of collagenase for such treatment was known from the prior art. The claims at issue are phrased as further medical use claims according to Section 3 (4) German Patent Act and Article 54 (5) European Patent Convention (EPC) and relate to a relatively high dosage of collagenase for injection into a collagen bundle followed by an immobilization of the relevant part of the body for several hours in order to

avoid spreading of the collagenase from the site of injection. Spreading would cause a reduced therapeutic effect of the collagenase in the collagen bundle. The Federal Patent Court had rejected the applications based, *inter alia*, on the finding that despite its allowable wording as a further medical use, the immobilization step following the injection would not characterize the collagenase or its formulation to be injected and that the feature would be nothing but an instruction to the physician in charge. Thus, the feature would be excluded from patentability pursuant to Section 2a (1) No 2 German Patent Act and Article 53 (c) EPC and consequently to be disregarded for the assessment of patentability of the claimed subject-matter.

In this respect, the Federal Supreme Court set aside the Federal Patent Court’s ruling based on the following considerations: The measure of immobilizing the relevant part of the body serves the purpose of improving the effect of the administered collagenase. The measure is not an additional one for treating the disease that is independent from the effect of the substance. Consequently, this feature is not excluded from patentability. Both cases were remitted to the Federal Patent Court to determine whether the feature to immobilize the respectively treated part of the body after collagenase injection confers not only novelty to the claimed subject-matter but also involves an inventive step over the prior art, including the standard repertoire of a physician at the priority date.



Dr. Axel B. Berger



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**Remarks**

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In its decisions, the Federal Supreme Court emphasizes that the European and the German provisions with respect to further medical use claims are considered to be applied identical by both, the European Patent Office and the German authorities. In its decision, the Federal Supreme Court also refers to EPO case law, in this respect, such as G 2/08. A restriction, *e.g.* to the dosage of a substance, cannot be derived from the further medical use provisions. Conse-

quently, different kinds of administration (such as orally, transdermal or different kinds of injections), the consistency of the substance (such as solid, liquid or gaseous), the patient group or any other parameter that has an influence on the effect of the substance constitute a patent eligible specific use of the substance. Now, the Federal Supreme Court made clear that also therapy-related instructions may well meet this requirement.

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**2. European Patent Office (Technical Board of Appeal 3.3.05): Admissibility of the appeal – a new obligation to explain that the decision under appeal is erroneous? (decision of October 14, 2013 – Case T 2532/11 – Silica dispersion/AKZO NOBEL)**

Reported by Dr. Rudolf Teschemacher

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**So far it has been the consistent case law of the Boards of Appeal of the EPO that the appellant may pursue two different strategies in appeal proceedings: either he/she may convince the Board of Appeal that the decision under appeal is wrong or he/she may take away the legal or factual basis of the decision under appeal by making new submissions. In particular, the appealing applicant or proprietor may file amended sets of claims in order to overcome the objections on which the decision under appeal is based. Decision T 2532/11 intends to put an end to this practice.**

The Opposition Division had revoked the patent. The claimed subject-matter of two requests was found to lack novelty, the other requests were not admitted for formal reasons. The proprietor appealed. The statement of grounds of appeal contained one main and five auxiliary requests and a detailed reasoning why the limited claims were novel and inventive over the relevant prior art. In addition, the appellant submitted further evidence supporting his/her case in respect of inventive step. The respondent requested that the new requests not be admitted into the proceedings and questioned the admissibility of the appeal.

The Board of Appeal holds that the appeal is inadmissible. In its reasoning, the Board cites verbatim the relevant provisions of Article 108 EPC, Rules 99 (2) and 101 (1) EPC, as well as Article 12 (4) of the Rules of Procedure of the Boards of Appeal, all of which it does not need for its conclusion. Instead, the Board turns to the often cited decisions of the Enlarged Board of Appeal, G 9/91 and G 10/91, according to

which the purpose of the appeal procedure is mainly to give the losing party the possibility of challenging the decision under appeal on its merits. According to Board 3.3.05, it is clear therefrom “that the appeal proceedings **aim at contesting a decision**” (emphasis in the original). In addition, the Board cites G 1/99 stating that “it is **the appellant who in the notice of appeal determines the extent to which amendment or cancellation of the decision under appeal is requested**” (emphasis in the original). The Board infers from this that the appeal proceedings are confined to the subject-matter of first instance proceedings and that the statement of grounds of appeal should at least discuss this subject-matter.

Applying these principles to the case at hand, Board 3.3.05 understands the statement of grounds of appeal to mean that the essential findings of the Opposition Division are not contested and thus concludes that this statement does not address the main grounds for revocation.

Finally, the Board raises the question “whether newly filed requests can be seen as implicit grounds of appeal, or in other words, whether there is a link between the decision and the grounds”. In this respect, the Board takes the position that “the procedural principle of free disposition does not extend to such a point that it should allow appellants to build a new case, disconnected from the case as it stood during the first instance proceedings, so as to render the decision under appeal purposeless. **The EPC’s provisions do not give the appellants the power to set aside the decision under appeal of its own volition,**



Dr. Rudolf Teschemacher

which would obviously be the case if it had the opportunity to modify its requests beyond the subject-matter of the first instance proceedings” (emphasis in the original).

Whereas the Board does not deny the appellant’s right to file amended claims, it requires the appellant “to provide arguments in order to explain what are the issues in the decision it considers to be erroneous and provide arguments and evidence to support its view”.

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### Remarks

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For a number of reasons, the decision cannot convince.

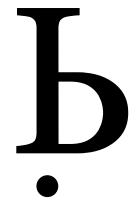
First, it has no basis whatsoever in the relevant legal provisions which simply require the appellant to indicate the reasons for setting aside the decision impugned. In an opposition case, this requirement is fulfilled in accordance with Article 101 (3) (a) EPC if the patent as amended and the invention to which it relates meet the requirements of the EPC.

Second, none of the citations of the decisions of the Enlarged Board of Appeal deals with the requirements of an admissible appeal. The citation from G 9/91 and G 10/91 is concerned with the extent of examination of grounds of opposition in appeal proceedings and the citation from G 1/99 is concerned with the question to which extent the non-appealing party may file a request going beyond the subject-matter defined by the appellant’s request. Thus, both citations deal with the scope of examination in appeal proceedings initiated by an admissible appeal. Neither the citations as such nor their context justify the conclusion that a Board of Appeal can only examine subject-matter already examined in the first instance proceedings.

Third, the Board omits to deal in detail with the consistent and actually relevant case law (Case Law of the Boards of Appeal, 7<sup>th</sup> ed. 2013, IV.E.2.6.5.b). Whereas decision T 934/02 is

mentioned, its rationale is not discussed. In that decision, the Board saw “no reason why the appellant (patent proprietor) in its appeal should be obliged to deal with the reasoning in the Opposition Division’s decision when such reasoning no longer applies in view of the amended claims. An appeal may be substantiated by filing amended claims which deprive the contested decision of its basis. It is therefore not necessary, and would also be pointless, for the purposes of adequately substantiating an appeal, to file grounds in support of a version of a claim that the appellant (patent proprietor) no longer defends in the appeal proceedings”. There is no reason why a party having lost in first instance proceedings should be forced to insist on its position if it comes to the conclusion that it is no longer in its interest to do this, be it that the decision of the first instance appears convincing, be it that a more restricted protection turns out to meet the party’s economic interests. Any mock attacks against the decision under appeal, just for the purpose of making the appeal admissible, would amount to a superfluous burden in the appeal proceedings. This approach has remained uncontested in numerous decisions until T 2532/11.

Decision T 2532/11 is an extreme example of a tendency in the case law of the Boards of Appeal putting more and more emphasis on procedural aspects at the cost of the substantive examination of appeal cases. This deserves to be studied



in more detail. In any case, the Boards have to comply with the Convention and have to respect certain limits when changing the character of appeal proceedings. In accordance with Article 111 (1), Sentence 2, EPC, the Boards may exercise any power of the department which was responsible for the decision under appeal. Alternatively, the Boards may refer the case back to the departments of first instance. This provision can only be understood on the background that new facts, evidence and requests may be submitted in appeal proceedings, with the proviso that late submissions may be disregarded. This does not and cannot mean, as suggested by Board 3.3.05, to **“give the appellant the power to set aside the decision under appeal of its own volition”** (emphasis in the original). Rather the admissible and allowable appeal results in the EPO’s obligation to set the impugned decision aside.

This is expressly addressed for *ex parte* appeal proceedings in Article 109 (1) EPC obliging the department of first instance to rectify its decision if amendments are submitted meeting the objections on which the decision under appeal is based. T 2532/11, making no relevant distinction between appeals in grant and in opposition proceedings, does not address this. The discre-

tionary decision whether new submissions in appeal proceedings can be disregarded requires considering all relevant circumstances and balancing the interests involved. Thus, it is a matter of substantive examination which is not to be anticipated in the examination as to admissibility. The Board’s observation that the provisions of Article 114 EPC are of limited application in opposition proceedings may appear ironic to those experiencing the practice of some Boards of Appeals to raise of their own motion objections never raised by the Opposition Division or the opponents. The Enlarged Board of Appeal has approved such conduct even during oral proceedings and without allowing the proprietor a full opportunity to react (*cf.* Wegner and Hess, *epi* Information 1/2014, 32). Such contradictory tendencies imply the danger that a fair balance is lost between the possibilities of the opponent to attack the patent and the proprietor to defend it.

It is to be hoped that other Boards of Appeal will put the legal principles right and confirm the hitherto uncontested practice that an appellant can rely on new requests submitting relevant arguments that these requests overcome the objections on which the decision under appeal is based without being obliged to contest the correctness of the impugned decision.

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**3. European Patent Office (Enlarged Board of Appeal): Possible conflict of functions (interlocutory decision of April 25, 2014 – Case R 19/12 – Suspicion of partiality objection to Chairman allowed)**

Reported by Dr. Rudolf Teschemacher

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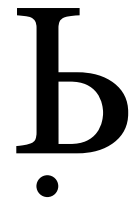
**The Boards of Appeal of the European Patent Office (EPO) are administratively organized as Directorate General 3 (DG3) within the Office. As a tradition since 1985, the Vice-President responsible for the Boards of Appeal (VP DG3) has always been appointed as Chairman of the Enlarged Board of Appeal of the EPO (EBA). In case R 19/12, the EBA saw a conflict of interests between the tasks as member of the management and as a presiding judge in review cases and allowed an objection to its Chairman on the ground of suspicion of partiality.**

In a review case, the petitioner took the double function as Chairman of the EBA and as VP DG3 as the basis for an objection on the ground of suspicion of partiality. The petitioner argued that the object of its petition was a procedural defect in the conduct of appeal proceedings by the Board of Appeal which had issued the decision under review. This defect again had its cause in a procedural defect in the preceding proceedings before the Opposition Division. The petitioner expressly stated that he did not doubt the legal qualification and personal integrity of the Chairman. However, it was submitted that the Chairman as a former member of the upper management in the administration of the EPO (principal director and acting Vice-President DG5 – Legal/International Affairs) had shared the responsibility for organizing the proceedings including the opposition proceedings at issue. In addition, being the present VP DG3, he was still embedded in the administration of the EPO, since he was a member of the Management Committee of the President (MAC) and had, at least in 2012, been Chairman of the General Advisory Committee (GAC) of the Office. Ac-

ording to the principle of separation of powers which applied to the EPO, the administration could not assume the task of legal review of its own decisions.

For the proceedings concerning the partiality objection, the Chairman of the EBA was replaced by his deputy. In this composition, the EBA allowed the objection and replaced the Chairman. At the outset, the EBA observes that the provisions on exclusion and objection are modelled after national codes of procedure which are in some states based on constitutional principles, whereas in other states Article 6 of the European Convention on Human Rights (ECHR) is the superior legal basis which again relies on principles common to all Contracting States of the EPO. Thus, it was appropriate to consider national case law as well as case law of the European Court of Human Rights in the present context.

The EBA states that the change from a position in the administration to a court is – as such – not a sufficient ground for a suspicion of partiality. A judge can be expected to disengage himself from his earlier profession and to exercise his new duties in accordance with his obligations as a judge. However, referring to case law of the European Court of Human Rights and the German Bundesverfassungsgericht, the EBA notes that hierarchical and other links between a judge and other actors in the proceedings as well as the internal organization of the court are relevant when assessing objective impartiality. The provisions on exclusion and objection serve the purpose of maintaining a certain distance between the judge from the object of the proceedings and the parties. In particular, such a distance is required in the relation between a



court and the administration rendering the decisions to be reviewed by the court.

According to the EBA, the VP DG3 remains, after his appointment as Chairman of the EBA, part of the hierarchical structure of the EPO and is subject to instructions of the President. Whereas the VP DG3 is not subject to instructions in his role as Chairman of the EBA, there is no precise separation between his different functions. In respect of review cases, the EBA notes that a conflict may arise between the Vice-President's obligation to follow instructions regarding the efficiency goals to be reached by the Boards of Appeal and his obligation to contribute to the development of the case law making review proceedings an effective tool for protecting the rights of the parties to the proceedings. Such conflict may be quite concrete if the right to be heard is at stake: the stricter the requirements for a successful review are the more are the Boards in a position to streamline proceedings without having to face the possibility to have their decision set aside in later review proceedings.

The EBA adds that this conflict is not a consequence of the provisions of the Convention. The EPC stipulates neither that the VP DG3 is at the

same time Chairman of the Enlarged Board of Appeal nor that the VP DG3 is a member of the Management Committee or of other bodies with administrative functions. The membership in these bodies has not been restricted to serve the interests of the Boards of Appeal as a judicial self-governance.

The EBA concludes that, if the present structural weaknesses caused by the integration of the Boards into the Office have to be accepted *de lege lata*, it is all the more necessary to separate the head of DG3 from the management of the Office in order to avoid the possible impression that the judiciary contributes to realizing the interests and aims of the Office. On this basis, the Board accepts that the Chairman of the EBA might come into a conflict of interests. On a strictly objective basis, the petitioner's suspicion that the Chairman might be influenced in his tasks as judge by his taking part in basic management decisions is not a mere subjective impression or general suspicion. Rather, a reasonably objective and informed person might have good reason to assume that the Chairman might not be in a position to fulfil his tasks as a judge without any influence from targets given in other bodies, as the MAC or the GAC.

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## Remarks

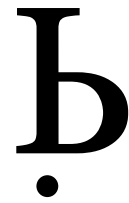
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Whereas the decision, taken in a three member composition, affects only a single review case, its effects may be far-reaching. Corresponding requests may be made in other review cases and even in cases in which points of law have been referred to the EBA.

At first glance, it might appear that the problem may be resolved by discharging the VP DG3 from his tasks which are the main reasons for allowing the request, *i.e.* the membership of the VP DG3 in the two committees MAC and GAC.

However, this would be a superficial analysis. The problem is more fundamental.

In the words of Sir Robin Jacob in *ex parte Lenzing* the members of the Boards of Appeal are "judges in all but name". This word may express the fact that the Boards fulfil their function as judiciary within the European patent system. Nevertheless, the lack of separation of the Boards of Appeal from the European Patent Office has been the reason for discussion and concern for many years (for refer-



ences *cf.* Teschemacher, Festschrift 50 Jahre Bundespatentgericht, Cologne 2011, 911). This applies in particular to the VP DG 3 who has been a member of the Management Committee composed by the President, the Vice-Presidents and other members of the upper management. Before his appointment he was a member of the same Committee as acting Vice-President of DG5. Whereas other members of the Boards of Appeal leave their previous functions as examiners or lawyers in the administration of the EPO when they are appointed members of the Boards of Appeal, the same did not apply in a comparable strict way to the present VP DG3.

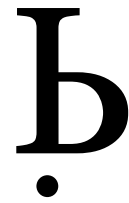
According to Article 10 (3) EPC, the VP DG3 assists the President; in this role he is subject to the instructions of the President pursuant to Article 10 (2) (f) EPC. However, the role of an assistant is hardly reconcilable with the role of the head of the judiciary which has to provide an independent review of the decisions of the Office headed by the President. It is difficult to imagine how this assistance could in practice be restricted to matters only concerning the Boards of Appeal.

In principle, members of the Boards of Appeal are treated as any other employees of the EPO. This does not always properly take into account the special role of the Boards of Appeal. An extreme example of this “equal treatment” is addressed in the decision, Reasons pt. 15, dealing with the Investigation Guidelines issued by the President of the EPO, after having passed the GAC, and claiming the right that an investigation unit which is part of the administration may take evidence regarding alleged violations of the Service Regulations, even without informing the employee concerned, as the case may be. The taking of evidence may include searching the employee’s written documents and electronic devices. Transferred to a national level and as far as members of the Boards of Appeal are concerned, this could be compared to the power of a government to search the offices in a court at which a lawsuit against the State is

pending. The Service Regulations provide for a Disciplinary Committee appointed by the Administrative Council for disciplinary proceedings against members of the Boards of Appeal in order to safeguard their independence from the Office. Safeguarding such independence appears not to be a matter of concern for the EPO when investigations possibly resulting in disciplinary proceedings are at stake.

The EBA refers to the Draft Basic Proposal for a Revision of the EPC implementing the organisational independence of the Boards of Appeal within the European Patent Organisation which the Administrative Council discussed in 2004 and considered to be an appropriate basis for a Diplomatic Conference. This draft aimed at separating the Boards of Appeal from the EPO but has not resulted in any further follow-up action, neither from the Administrative Council nor from the Office. It proposes to take the powers and functions concerning the members of the Boards of Appeal away from the President of the EPO and to transfer them to the President or to the Presidium of the Court. This would exclude any measures against Board members initiated by the Office. Furthermore, the draft provides for an amendment of Article 11 (3) EPC, abolishing the influence of the President of the EPO on appointment and re-appointment of the members of the Boards of Appeal.

The remark that the present structural weaknesses caused by the integration of the Boards into the Office have to be accepted *de lege lata* may be an argument for the EBA, it is hardly a valid argument in proceedings outside the EPO. The structural problems addressed may and presumably will also be raised in pending national proceedings against final decisions of the EPO as cited in R 19/12. The fact that there are such structural weaknesses does definitely not mean that there has been in fact an inadmissible influence from the administration on decisions to be taken by the Boards. However, the need to create structures fully complying with the principle of separation of powers is not a reaction to



misuse in the past. Rather, it is to be considered as a precaution in order to prevent a possible misuse under yet unknown circumstances in the future, even if it appears that such misuse is not probable.

Finally, it has to be noted that the alleged lack of a judicial review of decisions of the EPO has been the first plea in the action of Spain against the Regulation on the unitary patent (C-146/13). The unitary patent will be a EU title and it is difficult to imagine that it can be revoked in opposition proceedings which are not subject to an appeal to be decided by a body the qualification of which as an independent tribunal within the meaning of Article 47 of the EU Charter of Fundamental Rights is beyond any doubt, a question which has already been touched by the attorney general in the proceedings resulting in Opinion 1/09 of the ECJ holding that the Draft Agreement on the European and Community Patents Court, the predecessor of the Agreement

on a Unified Patent Court, was incompatible with the institutional and judicial framework of the EU.

Blogs have reported that, following decision R 19/12, the VP GD3 has given up his membership in the GAC and will no longer participate in MAC meetings as a member. This can only be a provisional measure since the administrative function as a Vice-President who is subject to the directions of the President is not affected by this measure. Furthermore, a decision of the President is reported suspending financial authorizations granted to the VP GD3 relating to activities of members of the Boards of Appeal. This means, that the President decides on missions, training, study visits and external activities of Board members. Whereas this measure has relieved the Chairman of the EBA of an administrative function, it has also increased the influence of the President on the members of the Boards.

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**4. Karlsruhe Appeal Court on preliminary stay of enforcement due to objection of compulsory license under antitrust law (decision of February 19, 2014 – Case 6 U 162/13 – Orange-Book-Defense)**

Reported by Dr. Thomas Gniadek und Diana Fichtner, LL.M.

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**A preliminary stay of enforcement of a judgment (Sections 719, 707 German Civil Procedural Code) is not as such justified on the basis of a potential upcoming change of the case law, in particular not in view of a possible change of the requirements for successfully raising the compulsory license objection under antitrust law (as established by the German Federal Supreme Court in the decision “Orange-Book-Standard”) due to a respective referral procedure with the Court of Justice of the European Union (CJEU).**

If and to what extent the CJEU will further develop and/or modify the requirements for successfully raising the compulsory license objection is not clear. Even if these requirements were changed, the Karlsruhe Appeal Court assumes that at least a license offer and winding up of past infringement will still be held necessary.

In the case at hand, plaintiff had filed a complaint against defendants based on alleged indirect infringement of the patent-in-suit, which it considered to be a standard essential patent (SEP) under the UMTS standard and for which it felt bound by a respective FRAND declaration. Defendants had argued that the patent-in-suit was neither infringed nor valid. However, in the alternative, defendants declared to be generally willing to take a license under FRAND conditions and thus raised the compulsory license objection based on antitrust law.

The Mannheim District Court found for patent infringement. Further, it rejected a requested stay of the proceedings even in view of the

prior referral of another case by the Dusseldorf District Court to the CJEU regarding the consistency of the requirements for raising the compulsory license objection according to the decision “Orange-Book-Standard” and according to following decisions by the Appeal Courts with European antitrust law. The Mannheim District Court found that the present proceedings were different since the defendants had not even made an offer of taking a license (like in the Dusseldorf proceedings) but only declared their general willingness to take a license under the patent-in-suit without showing a serious willingness to negotiate. Because a general willingness to take a license upon judicially confirmed infringement and validity of the patent-in-suit is a mere matter of course, the Mannheim District Court did not hold likely that this behaviour would be held sufficient by the CJEU for successfully raising the compulsory license objection. Furthermore, other than in the Dusseldorf case, it was not in any event clear whether the industry standard at hand did require the attacked actions of defendants.

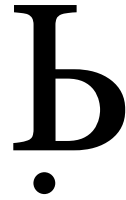
Subsequently, with respect to the enforcement of the Mannheim District Court’s first instance judgment, the Karlsruhe Appeal Court further rejected defendants’ request for a preliminary stay of the enforcement of the first instance judgment. According to the case law, a preliminary stay of enforcement measures according to Sections 719, 707 German Civil Procedural Code can only be reached if it is evident that the decision will be lifted on appeal. The Karlsruhe Appeal Court negated this requirement also in view of the above mentioned pending referral with the CJEU. According to the Karlsruhe Appeal Court, the requirements of “Orange-Book-Standard” decision still apply, and these



Dr. Thomas Gniadek



Diana Fichtner, LL.M.



requirements, *i.e.* (i) an unconditional, legally binding offer for concluding a license agreement (which cannot be rejected due to antitrust considerations) and (ii) winding up of past infringing acts in particular by payment of license fees for the past or providing a respective security, were uncontestably not met in the case at hand.

Further, with respect to the uncertainty if and how the CJEU will modify these requirements, the Karlsruhe Appeal Court assumed that in any event at least a license offer and winding up of past infringement will still be held necessary. Both requirements were not met by defendants.

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### Remarks

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The present decision shows that, despite the pending referral to the CJEU regarding the requirements for successfully raising the compulsory license objection, German instance courts are still reluctant to use a less strict standard than in the “Orange-Book” decision – at least until a final decision is rendered by the CJEU. Thereby, the application of very strict requirements for a preliminary stay of enforcement measures complies with the practice of the instance courts, in this respect.

Following this approach, on the one hand, owners of SEPs presently may expect to be

able to preliminary enforce a first instance judgment based on that SEP. On the other hand – in particular in view of the latest decision of the European Commission regarding Motorola Mobility’s violation of antitrust law by forcing Apple to sign an unfavourable license agreement by means of posing a threat of enforcing an injunction against Apple on the basis of a SEP – patent holders might need to consider risks of liability based on such enforcement in case the CJEU will significantly ease the requirements for raising the compulsory license objection.

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**5. Karlsruhe Appeal Court on “manifest preparation” in case of use patents (decision of February 26, 2014 – Case 6 U 50/12 – Verwendungspatent/Use patent)**

Reported by Nadine Heartz

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**A manifest preparation of a product may already be at hand if the product shows the characteristics mentioned in the patent claim and is geared towards a use in which achieving the patented intended use (here: avoidance of cancer risks) is deemed necessary. In such case, no further manifestation of the designation for the claimed use (for example, by means of instructions for use) is required for finding infringement of a use patent by way of manifest preparation.**

In case of use patents, patent protection is shifted, covering not only the protected use as such but also previous activities by which the product is “manifestly prepared” for the claimed use. For a manifest preparation, the product must be geared towards the claimed use so that it is obvious for the customer that the product is intended to be used as claimed in the patent. This can, for example, be achieved by a particular composition of the product so that it is predestined for the claimed use, or by instructions for use accompanying the product upon sale.

In the case at hand, the plaintiff was the owner of the European Patent 0 399 320 B2 (“patent-in-suit”) concerning glass fibres with increased biological compatibility. Claim 1 of the patent-in-suit refers to the use of glass fibres with a specific composition and diameter as glass fibres which exhibit no carcinogenic potential. The defendants produced in Belgium and distributed in Germany fibre glass products (“attacked embodiments”) with the claimed composition and diameter to the building materials trade where the attacked embodiments could be purchased by customers for use as insulating material in building construction.

The plaintiff filed an infringement complaint against the defendants with the Mannheim District Court asserting literal infringement of claim 1 of the patent-in-suit and requesting that the defendants were, in principle, obliged to pay damages for the infringement of the patent-in-suit and requesting that the defendants be adjudged to render accounts. The Mannheim District Court allowed the complaint.

In the appeal proceedings, the Karlsruhe Appeal Court dismissed the appeal filed by the defendants and confirmed the first instance judgment.

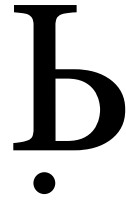
The Karlsruhe Appeal Court held that the attacked embodiments were manifestly prepared as they were designed and distributed as insulating material in building construction, *i.e.* for a purpose in which the risk of cancer should be excluded with sufficient certainty according to the applicable employment protection provisions. In this case, no explicit hint towards the lacking of a carcinogenic potential (lacking of which being prescribed by law) was required for manifestly preparing the product for the claimed use.

By offering the attacked embodiments as insulating material for building construction, the offering person incidentally stated that the offered product met the requirements of the applicable employment protection provisions.

The actual carcinogenic potential of the attacked embodiments was, according to the Karlsruhe Appeal Court, irrelevant. It was only decisive that the product had the claimed geometric and chemical characteristics and was manifestly prepared for the claimed use.



Nadine Heartz



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**Remarks**

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With the present decision, the Karlsruhe Appeal Court confirms the generally accepted principles regarding the manifest preparation in case of use patents (*cf. e.g.* German Federal Supreme Court GRUR 1990, 505 – Geschlitzte Abdeckfolie/Slotted Cover Foils). At the same time, the Karlsruhe Appeal Court clarifies the prerequisites of such manifest preparation. In case the product has the characteristics mentioned in the patent claim and in case achieving the claimed intended use is deemed necessary, a manifest preparation may be assumed, without further

manifestation of the designation of the product for the claimed use being required.

Yet, since the Karlsruhe Appeal Court found that it was not absolutely clarified in the German case law what requirements are to be imposed on the manifest preparation of a product for a patented use, it admitted an appeal on points of law to the German Federal Supreme Court. It remains to be seen whether the Supreme Court provides additional desirable clarification in this regard.

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**6. Court of Justice of the European Union: Jurisdiction over foreign defendant for infringement of Community trademark and for acts of unfair competition (decision of June 5, 2014 – Case C-360/12 – Coty Germany v First Note Perfumes – Coty)**

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

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**Coty Germany is proprietor of a 3D Community trademark (CTM) consisting of the shape of a perfume bottle. It markets “Davidoff Cool Water Woman” in these bottles. When allegedly infringing products were brought on the German market, Coty sued First Note Perfumes, a Belgian company, for infringement of its CTM and unfair competition, alleging that First Note had sold the infringing products in Belgium to a third party which had brought them into Germany and sold them here. Coty claimed that First Note was liable for participating in the third party’s infringement and had committed comparative advertising and misappropriation. The actions were dismissed at first and second instance for lack of jurisdiction over the foreign defendant First Note. On appeal to the German Supreme Court the following questions were referred to the Court of Justice:**

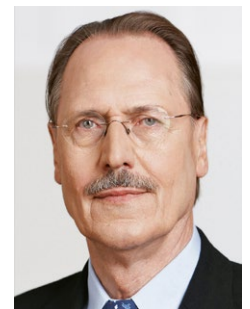
1. Is Article 93 (5) CTMR to be interpreted as meaning that an act of infringement is committed in one Member State (Member State A), within the meaning of [that provision], in the case where, as a result of an act in another Member State (Member State B), there is participation in the infringement in the first-named Member State (Member State A)?
2. Is Article 5 (3) Brussels I Regulation to be interpreted as meaning that the harmful event occurred in one Member State (Member State A) if the tortious act which is the subject of the action or from which claims are derived was committed in another Member State (Member State B) and consists in participation in the tor-

tious act (principal act) which took place in the first-named Member State (Member State A)?

Article 98 (5) CTMR as codified, the provision corresponding to Article 93 (5) CTMR in its original version, provides for jurisdiction over a defendant for CTM infringement in the Member State where “the act of infringement has been committed or threatened”. Article 5 (3) Brussels I Regulation provides that “a person domiciled in a Member State may, in another Member State, be sued [...] in matters relating to tort, *delict* or *quasi-delict*, in the courts for the place where the harmful event occurred or may occur”.

The Court gave the following answers:

1. The concept of ‘the Member State in which the act of infringement has been committed’ in Article 93 (5) CTMR must be interpreted as meaning that, in the event of a sale and delivery of a counterfeit product in one Member State, followed by a resale by the purchaser in another Member State, that provision does not allow jurisdiction to be established to hear an infringement action against the original seller who did not himself act in the Member State where the court seised is situated.
2. Article 5 (3) Brussels I Regulation must be interpreted as meaning that, in the event of an allegation of unlawful comparative advertising or unfair imitation of a sign protected by a Community trademark, prohibited by the law against unfair competition (*Gesetz gegen den unlauteren Wettbewerb*) of the Member State in which the court seised is situated, that provision does not allow jurisdiction to be established, on the basis of the place where the event giving rise



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von Mülhendahl, J.D., LL.M.

to the damage resulting from the infringement of that law occurred, for a court in that Member State where the presumed perpetrator who is sued there did not himself act there. By contrast, in such a case, that provision does allow jurisdiction to be established, on the basis of the

place of occurrence of damage, to hear an action for damages based on that national law brought against a person established in another Member State and who is alleged to have committed, in that State, an act which caused or may cause damage within the jurisdiction of that court.

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### Remarks

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The Coty judgment is unfortunate as regards CTM infringements, and confirms the Court's case law as regards Article 5 (3) Brussels I Regulation.

Concerning Article 5 (3) Brussels I Regulation, the case law of the Court of Justice, since the leading case *Bier*, Case 21/76, has consistently held that an action seeking redress for unlawful acts may be brought both in the Member State where the defendant has acted, and in the Member State where the damage occurred. This rule also applies in cases of multi-state infringements of intellectual property rights. The first question, regarding Article 98 (5) CTMR, sought clarification whether the same principle should apply in CTM infringement cases, where the wording of the provision differs somewhat from the wording of Article 5 (3) Brussels I Regulation. The answer of the Court – which followed the opinion of Advocate General Jääskinen – is clear: Jurisdiction is available only before the courts of the Member State where the defendant acted, not where the damage actually occurred. Thus, the Belgian defendant in the case before the German courts cannot be sued in Germany for infringement of Coty's trademark rights, even if the Belgian defendant participated in the infringements committed by the German party (which was not before the Court).

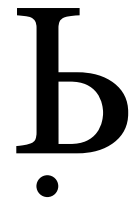
This result is unfortunate because it makes the prosecution of infringements of Community

trademarks more difficult by limiting the fora where a case based on Article 98 (5) CTMR may be brought. Also, the decision makes the enforcement of CTMs more difficult than the prosecution of infringements of national trademarks: The Court has previously judged, applying Article 5 (3) Brussels I Regulation, that infringements of national trademarks may be pursued both in the Member State where the mark is protected (Austria) and in the country where the infringer acted (Germany) (*cf.* Case C-523/10, *Wintersteiger*).

The only argument in the judgment, beyond the fact the words are different, relates to the scope of jurisdiction:

35 It should also be noted that the existence of jurisdiction under Article 93 (5) [CTMR] based on the place where the alleged infringement produces its effects would conflict with the wording of Article 94 (2) CTMR, which limits the jurisdiction of Community trademark courts under Article 93 (5) [CTMR] to acts committed or threatened in the Member State where the court seised is situated.

That argument can, of course, be made also for the opposite interpretation, namely that where jurisdiction would be based on the effect rather than the action, the scope of jurisdiction would be similarly limited to the country where the damage occurred, rather than where the defendant acted.



Another consequence of the Coty judgment is that in many situations the Member State where the defendant acted will be the Member State where the defendant is domiciled, and thus the bases of jurisdiction would in fact no longer be distinct. Finally, the Court disregards the situation of third-country defendants which are not subject to jurisdiction in the third country, where they acted, and apparently also not in the Member State where the damage occurred. This means that, *de facto*, third country defendants must always be sued in a CTM court with EU-wide jurisdiction.

The unfortunate situation now can be corrected only through new legislation – it seems indeed unlikely that the Court will reverse itself in the near future.

As regards the second question, relating to Article 5 (3) Brussels I Regulation, the answer is in line with the Court's previous case law. In the future, German cases may increasingly be based on unfair competition claims rather than trademark infringement, so as to avoid a dismissal of the action for lack of jurisdiction. This is not exactly what the legislator had in mind when creating EU-wide intellectual property rights.

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**7. Court of Justice of the European Union: Rules for establishing likelihood of confusion – Earlier mark composed of one element and later mark incorporating earlier mark (decision of May 8, 2014 – Case C-591/12 P – Bimbo v OHIM and Panrico – DOGHNUTS v BIMBO DOGHNUTS)**

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

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**Panrico is proprietor of a number of Spanish trademarks consisting of the word “Doughnut” or variations thereof, such as in the present case “DOGHNUTS”. These marks, although reproducing the English word “doughnut”, have been protected for many decades in Spain and are understood as trademarks by the Spanish public, not as product names. Bimbo, one of the world’s largest bakery products company, sought registration of “BIMBO DOGHNUTS” as a Community trademark (CTM) and expected an easy acceptance, since from Bimbo’s perspective “doughnuts” is a product name, just like “rolls” or the like. However, Panrico succeeded with its opposition based on its Spanish mark “DOGHNUTS” in all instances. The appeal against the General Court’s judgment of October 10, 2012, T-569/10, surprisingly gave rise to a hearing, an extensive opinion by Advocate General Mengozzi and a judgment by a five-judges chamber. The Court confirmed the rejection of Bimbo’s CTM application.**

In the course of its judgment, the Court confirmed its previous case law that all elements of conflicting trademarks must be taken into account, unless they are negligible, and that “DOGHNUTS” in the later mark was not negligible in view of the relevant Spanish public. The Court also re-affirmed its judgment in the Medion case (Case C-120/04 – LIFE/THOMSON LIFE):

24 In this connection, the Court of Justice has stated that it is possible that an earlier mark used by a third party in a composite sign that

includes the name of the company of the third party retains an independent distinctive role in the composite sign. Accordingly, in order to establish the likelihood of confusion, it suffices that, on account of the earlier mark still having an independent distinctive role, the public attributes the origin of the goods or services covered by the composite sign to the owner of that mark.

25 None the less, a component of a composite sign does not retain such an independent distinctive role if, together with the other component or components of the sign, that component forms a unit having a different meaning as compared with the meaning of those components taken separately.

26 In the present case, the General Court found, in paragraphs 79 and 81 of the judgment under appeal, that, even if the element “bimbo” were dominant in the trademark for which registration was sought, the “doughnuts” element was not negligible in the overall impression produced by that trademark and, accordingly, the “doughnuts” element had to be taken into account in the comparison of the trademarks at issue.

27 In paragraph 97 of that judgment, the General Court stated that, since the “doughnuts” element is wholly meaningless for the relevant public, that element did not form, together with the other element of the sign, a unit having a different meaning as compared with the meaning of those elements taken separately. It accordingly found that the “doughnuts” element still had an independent distinctive role in the trademark for which registration was sought and had therefore to be taken into account in the global assessment of the likelihood of confusion.

28 In paragraph 100 of the judgment under appeal, the General Court held that, in the light of all factors relevant to the case, the global assessment confirmed the Board of Appeal's conclusion that there was a likelihood of confusion.

29 Accordingly, the General Court did not conclude that there was a likelihood of confusion merely from the finding that, in the trademark applied for, the “doughnuts” element has an independent distinctive role, but based its conclusion in that regard on a global assessment that included the different stages of the examination required under the case-law referred to in paragraphs 19 to 25 above, and in the course of which it took into account the factors of the case. It thus correctly applied Article 8 (1) (b) CTMR.

30 That conclusion is not invalidated by the other arguments put forward by Bimbo.

31 In so far as Bimbo criticises the General Court, first of all, for having used, in paragraph 97 of the judgment under appeal, the terms “distinctive character” and “wholly meaningless element”, suffice it to point out that, in that paragraph, the General Court merely rejected Bimbo's submissions purporting to establish that, being devoid of distinctive character, the “doughnuts” element is not to be taken into account in the assessment of the likelihood of confusion.

32 The General Court thereby supplemented its assessment, set out in paragraph 81 of the judgment under appeal, that the “doughnuts” element was not negligible in the overall impression produced by the trademark for which registration was sought and that it had therefore to be taken into account in the comparison of the trademarks at issue. In so doing, the General Court in no way confused the terms in question.

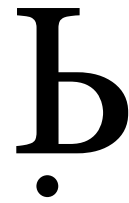
33 Next, in so far as Bimbo argues that the General Court disregarded the rule that a finding that one component of a composite sign has an independent distinctive role constitutes an

exception, that must be duly substantiated, to the general rule that the consumer normally perceives a trademark as a whole, it should be pointed out that the purpose of examining whether any of the components of a composite sign has an independent distinctive role is to determine which of those components will be perceived by the target public.

34 Indeed, as the Advocate General observed in points 25 and 26 of his opinion, it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, *inter alia*, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.

35 The determination of which components of a composite sign contribute to the overall impression made on the target public by that sign is to be undertaken before the global assessment of the likelihood of confusion of the signs at issue. Such an assessment must be based on the overall impression produced by the trademarks at issue, since the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details, as has been stated in paragraph 21 above. Therefore, this does not involve an exception that must be duly substantiated to that general rule.

36 Moreover, the individual assessment of each sign, as required by the settled case-law of the Court of Justice, must be made in the light of the particular circumstances of the case and cannot therefore be regarded as being subject to general presumptions. As the Advocate General observed in point 24 of his opinion, it is clear, in particular, from the case-law subsequent to *Medion* that the Court of Justice did not introduce, in that judgment, a derogation from the principles governing the assessment of the likelihood of confusion.



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**Remarks**

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The confirmation of a General Court’s judgment by the ECJ is a common occurrence which would not normally merit any specific mention or analysis. However, the DOGHNUTS/BIMBO DOUGHNUTS judgment is significant beyond the dismissal of the appeal because it confirms that LIFE/THOMSON LIFE belongs to the core elements of the ECJ’s judgments on likelihood of confusion, requiring a finding of similarity of marks when the later mark incorporates the earlier mark as an independent element. There are still quite a number of court observers and commentators which consider the “independent dis-

tinctive element” analysis a – rare – exception to the general rule. Nevertheless, finding similarity of marks is not the end of the story – similarity is only one of the elements of the likelihood of confusion analysis, which requires in addition to take into account the degree of similarity of the goods or services, the degree of similarity of the conflicting marks and, in particular, the degree of distinctiveness of the earlier mark. Thus, if the common element has only weak distinctive character, there may well be no likelihood of confusion even if the later mark consists of an element which is the same as the earlier mark.

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**8. Court of Justice of the European Union: Criteria for determining whether a mark may be registered on the basis of acquired distinctiveness – Fixed percentages excluded – Burden of proof (decision of June 19, 2014 – Joined Cases C-217 and 218/13 – Oberbank & Banco Santander v Deutscher Sparkassen- und Giroverband – Sparkassen-Red)**

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

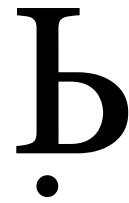
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The Deutscher Sparkassen- und Giroverband (German Savings and Current Accounts Association = DSGV), the association of German S & L institutions owned by German communities, is proprietor of a German single-colour trademark (a collective mark) of a shade of red, usually referred to as “Sparkassen-Rot”. The mark was registered in Germany in 2007 with proof of acquired distinctiveness. When the mark was applied for in 2002, it was rejected. However, DSGV was able to show acquired distinctiveness, albeit with proof submitted in 2006. An infringement action brought against the Spanish Banco Santander and its German subsidiary, and claims asserted against Austrian Oberbank AG, both of which also used red in their commercial presence in Germany, were countered by invalidity actions. Invalidation actions based on absolute grounds must be brought before the German Patent and Trademark Office (GPTO) in Germany. These invalidity actions were rejected by the GPTO which ruled that the colour trademark was properly registered. The Federal Patent Court, the court competent for reviewing patent office decisions, considered that the degree of customer recognition proved by DSGV, above 65% subsequent to the time of filing, and also still at the time the case was to be decided, was not sufficient, and considered instead that at least 70% would be required. As the Court thought that the issue of the necessary degree of distinctiveness acquired through use

was still an open question, it referred the following questions to the Court of Justice:

1. Does Article 3 (1) and (3) Trademarks Directive 2008/95 preclude an interpretation of national law according to which, for an abstract colour mark (in this case: red HKS 13) which is claimed for services in the financial affairs sector, a consumer survey must indicate an adjusted degree of association of at least 70% in order to form a basis for the assumption that the trademark has acquired a distinctive character following the use which has been made of it?
2. Is Sentence 1 of Article 3 (3) Trademarks Directive 2008/95 to be interpreted to the effect that the time at which the application for the trademark was filed – and not the time at which it was registered – is relevant in the case where the trademark proprietor claims, in his defence against an application for a declaration invalidating the trademark, that the trademark acquired a distinctive character, following the use made of it, in any event more than three years after the application, but prior to registration?
3. In the event that, under the abovementioned conditions, the time at which the application was filed is also relevant:

Is the trademark to be declared invalid if it is not clarified, and can no longer be clarified, whether it had acquired a distinctive character, following the use made of it, at the time when the application was filed? Or does the declaration of invalidity require the applicant seeking that declaration to prove that the trademark



had not acquired a distinctive character, following the use made of it, at the time when the application was filed?

The Court – judging without an opinion by the Advocate General – gave the following answers:

1. Article 3 (1) and (3) Trademarks Directive must be interpreted as precluding an interpretation of national law according to which, in the context of proceedings raising the question whether a contourless colour mark has acquired a distinctive character through use, it is necessary in every case that a consumer survey indicates a degree of recognition of at least 70%.

2. Where a Member State has not exercised the power laid down in Sentence 2 of Article 3 (3) Trademarks Directive, Sentence 1 of Article 3 (3) of that directive must be interpreted as meaning that, in the context of invalidity proceedings in respect of a mark which is intrinsically devoid of distinctive character, in order to assess whether

that mark has acquired a distinctive character through use, it is necessary to examine whether such character was acquired before the date of filing of the application for registration of that mark. It is irrelevant in that regard that the proprietor of the mark at issue maintains that the mark has, in any event, acquired a distinctive character through use after the date of filing of the application for registration, but before the date of registration of that mark.

3. Where a Member State does not exercise the power laid down in Sentence 2 of Article 3 (3) Trademarks Directive, Sentence 1 of Article 3 (3) of that directive must be interpreted to the effect that it does not preclude, in the context of invalidity proceedings, the mark at issue from being declared invalid where it is intrinsically devoid of distinctive character and the proprietor of that mark has failed to show that it has acquired a distinctive character following the use which has been made of it before the date of filing of the application for registration.

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## Remarks

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Proof of acquired distinctiveness was the central issue in the Chiemsee cases decided by the Court in 1999 (Joined Cases C-108 and 109/97). The Court there established the well-known “all circumstances” rule as regards the evidence to be taken into account in order to show that a sign was recognised by the relevant public, or at least a significant portion of that public, as a trademark. Thus, it is not at all surprising that the Court rejects the German court’s notion that a public opinion survey must show that at least 70% of the public recognises the sign as a mark.

In the course of its analysis of the question the ECJ rejects the notion, apparently also underlying the referring court’s reference, that for colour

marks a higher degree of recognition is required than for other marks. The ECJ also confirms that public opinion surveys, widely used in Germany, may be called upon if necessary:

43 It should also be stated that Union law does not preclude the competent authority, where it has particular difficulty in assessing the distinctive character acquired through use of the mark in respect of which registration or a declaration of invalidity is sought, from having recourse, under the conditions laid down by its own national law, to an opinion poll as guidance for its judgment. If the competent authority finds it necessary to resort to such a survey, it must determine the percentage of consumers that would be sufficiently significant.

The most interesting part of that passage is that the national authority “must determine the percentage of consumers that would be sufficiently significant”.

The Court goes on to explain the relevance of such surveys:

48 It follows from the foregoing that it is not possible to state in general terms, for example by referring to predetermined percentages relating to the degree of recognition attained by the mark within the relevant section of the public, when a mark has acquired a distinctive character through use and that, even with regard to contourless colour marks, such as the mark at issue in the main proceedings, and even if a consumer survey may be one of the factors to be taken into account when assessing whether such a mark has acquired a distinctive character through use, the results of a consumer survey cannot be the only decisive criterion to support the conclusion that a distinctive character has been acquired through use.

The lessons to be drawn from this judgment seem to be the following:

- The all-circumstances rule must be applied;
- Colour marks must be treated no different from other non-distinctive marks; thus, no higher degree of consumer recognition may be demanded;
- Recourse to an opinion survey may be had if
  - and only if – the authority has “particular difficulties” is assessing distinctive character;
- The authority must determine the required percentage;
- A refusal or recognition of acquired distinctiveness may not be based on the results of a consumer survey alone.

The surprising part is that the ECJ allows national authorities to “determine the per-

centages” – this seems to conflict with the all circumstances rule. In any event, this being the latest pronouncement of the ECJ on the issue, national authorities, such as the German courts and the GPTO, may feel encouraged to go forward with their percentage limits. The German Federal Supreme Court in its judgment of October 17, 2013, I ZB 65/12 – “test” recently considered at least 50% as necessary, and added that the percentage must be higher when the mark is “clearly descriptive” (“glatt beschreibend”).

However, the German court’s almost exclusive reliance on survey results is not in line with the ECJ’s approach to consumer surveys. The minimum-percentage rule of the German Supreme Court also seems to be no longer valid, since the ECJ explicitly rejects the notion that a fixed percentage may be applied (paragraph 48 cited above). Also the requirement of even higher percentages for certain kinds of marks is not permitted. Rather, authorities must always apply the “all circumstances” rule and may, or perhaps must, accept acquired distinctiveness even if the percentages established for consumer surveys are not reached.

No surprises as regards the second answer: The filing date is decisive.

As regards the answer to the third question, the straightforward approach of the ECJ to the issue of burden of proof and the placing of that burden on the trademark proprietor is surprising, given the fact that a mark with acquired distinctiveness was accepted upon proof of distinctiveness submitted by the applicant to the respective trademark authority. Why should the proprietor be put to the proof again, merely because a third party is challenging the validity? This would appear not to be the “final word”, even though the principle “*Roma locuta, causa finita*” may be invoked.

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**9. German Federal Supreme Court: Requirements for the cancellation of a trademark due to absolute grounds – Absence of distinctiveness at time of application (decision of November 6, 2013 – Case I ZB 59/12 – Smartbook)**

Reported by Karolin Ernst

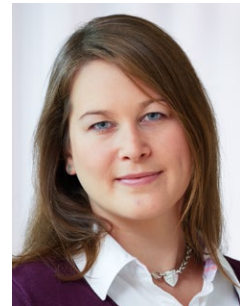
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**Smartbook AG is the owner of the German trademark No 305 05 515 “smartbook” (word mark), filed on February 01, 2005, and registered on May 31, 2005, covering a large list of goods in classes 07, 09 and 14, *inter alia*, computer, notebooks and laptops. A request for cancellation on grounds of descriptiveness and absence of distinctive character, brought in 2009, was accepted by the German Patent and Trademark Office. However, upon the proprietor’s appeal, the Federal Patent Court reversed and dismissed the cancellation petition (*cf.* BARDEHLE PAGENBERG IP Report 2013/I). The further appeal brought by the cancellation petitioner was rejected by the German Federal Supreme Court.**

The Federal Patent Court had emphasized that the finding of absolute grounds after a mark has been registered is subject to strict conditions. In addition, absolute grounds under Sec-

tion 8 (2) No 1–3 German Trademarks Act are based on the specific interests of the competitors. As regards the inherent distinctiveness of the mark “smartbook”, the Federal Patent Court ruled that the mark had neither a direct meaning in relation to the goods in question at the time of **registration**, nor was a future descriptive use of the composite mark “smartbook” foreseeable.

The Federal Supreme Court essentially agreed with the lower Court, but added some clarifications. The existence of absolute grounds must be established to exist at the time of **application** of the trademark (in the present case the time expired between filing date and registration date was not material). Any remaining doubts must be resolved in favour of the trademark proprietor. Descriptive use after the filing and registration date does not prove descriptiveness at the time of application. Also, any subsequent descriptive use actually was made by the cancellation petitioner.



Karolin Ernst

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**Remarks**

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The judgment is of some significance because it emphasizes that post-filing descriptive use is not relevant for determining descriptiveness

at the time of application. Also, where doubts remain, these must be resolved in favour of the validity of the registration.

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**10. German Federal Supreme Court: Standards of distinctiveness and descriptiveness under German trademark law (decision of February 19, 2014 – I ZB 3/13 – HOT)**

Reported by Dr. Henning Hartwig

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**On February 19, 2014, the German Federal Supreme Court confirmed a decision of the German Federal Patent Court of October 9, 2012, which had invalidated the German part of International Registration No 797277 “HOT”. The Court’s official headnote reads as follows:**

When a trademark (here: “HOT”) has several meanings (here: aside from “hot” also “spicy, hotly spiced, piquant” in relation to taste and figuratively also “sexy, trendy, great”), all of which are descriptive for the registered goods (here: *inter alia*, cleaning preparations, body care preparations, food supplements, printed matter, and clothing), the interpretative effort caused by the different possibilities of understanding the term does not as such suffice to confirm distinctive character.

The contested mark shown below



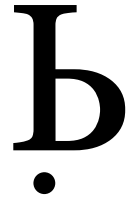
had been registered for “*bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumes, essential oils, cosmetics, including shampoos, shower gels, body lotions, massage oils, gels, face creams; hygienic products for medicine; nutritional supplements (adapted for medical use); lubricants for pharmaceutical purposes; paper, cardboard and goods made thereof, not included in other classes, printed matter, including calendars, labels for goods, photographs; clothing and*

*footwear*” in classes 3, 5, 16 and 25. The validity of the registration was challenged by Australian Gold, Inc., represented by BARDEHLE PAGENBERG. The challenge was based on the absence of distinctiveness of the mark for all the goods.

On March 22, 2011, the German Patent and Trademark Office issued a decision, invalidating the contested mark as regards “*bleaching preparations and other substances for laundry use; soaps; perfumes, essential oils, cosmetics, including shampoos, shower gels, body lotions, massage oils, gels, face creams; nutritional supplements (adapted for medical use); lubricants for pharmaceutical purposes; printed matter, including calendars, labels for goods, photographs, clothing and footwear*” due to lack of distinctiveness, but maintained the registration for the goods “*cleaning, polishing, scouring and abrasive preparations; hygienic products for medicine; paper, cardboard and goods made thereof, not included in other classes*”. Both parties appealed. The Federal Patent Court confirmed and, upon Australian Gold’s cross-appeal, extended the invalidation to all goods.

Protection for the same mark was also refused by the Australian, UK and Japanese Patent Offices. A case concerning the extension to the EU is pending before the General Court of the European Union.

The case is also interesting because the trademark proprietor had previously obtained preliminary injunctions from German courts, which had found the mark sufficiently distinctive and refused to suspend cases to await the outcome of the cancellation actions. The proprietor’s challenge of the Federal Patent Court’s decision for having disregarded these court decisions was



dismissed. According to the Supreme Court, the Federal Patent Court discussed the corresponding submission of the trademark owner and correctly found that the civil courts in the infringement proceedings did not actually review the protectability of the trademark but were bound by its registration. In fact, under German law, in infringement litigation an attack on the validity

of the allegedly infringed marks on grounds of descriptiveness or absence of distinctiveness is not allowed; such a challenge must be brought before the German Patent and Trademark Office, as was done in the present case which led to a confirmation of the cancellation (invalidation of the German part of the international registration) by the German Supreme Court.

**11. Cologne Appeal Court: Use of a chocolate product comprising the shape of a bear wrapped in a golden foil does not infringe word mark “GOLDBÄREN” (decision of April 11, 2014 – Case 6 U 230/12 – Goldbären/Golden bears)**

Reported by Dr. Philipe Kutschke

**The claimant Haribo, the German producer of the famous fruit gums “Goldbären”, challenged the distribution of Chocoladenfabriken Lindt & Sprüngli’s chocolate bear wrapped in a golden foil, comprising Lindt’s company name and logo as well as the designation “TEDDY”, the imprint of a teddy’s face, ears and paws and wearing a red ribbon with a heart around its neck. The defendant is a famous chocolate producer, known throughout the IP community for its – so far (in Germany) unsuccessful, and (in Austria) successful – attempts to challenge distribution of a competitor’s chocolate bunny allegedly infringing Lindt’s trademark rights in the shape of the “GOLDEN BUNNY” (reported previously in BARDEHLE PAGENBERG IP Reports 2012/II, 2011/I, 2008/II and 2006/I).**



As reported before (*cf.* BARDEHLE PAGENBERG IP Report 2013/I), the Cologne District Court upheld the complaint, arguing that there was a serious risk that use of the challenged chocolate teddy will lead to dilution of the claimant’s well-known word mark “Goldbären” (“golden bears”). The Cologne Appeal Court agrees

with the defendant’s arguments and overturns the first instance decision. However, it allows a further appeal to the Federal Supreme Court.

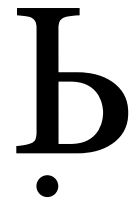
The Appeal Court confirms that the claimant’s word mark “Goldbären” is a trademark with reputation. Nonetheless, this does not automatically imply that the trademark enjoys a broader scope of protection against similar product appearances.

As always in trademark infringement cases concerning 3D trademarks, one of the most controversially discussed issues is whether or not the challenged product’s appearance (in particular its shape) will be perceived “as a trademark” by the relevant public, in the present case concerning chocolate products basically the average consumer. As a rule, a sign will be perceived as a trademark if the sign is used as an indication of the commercial origin of the products.

However, when trademarks with reputation are at issue, perception “as a trademark” only requires that the relevant public establishes a certain “link” between the challenged product appearance on the one side and the earlier trademark on the other. Whether or not this is the case has to be assessed irrespective of the intention of the undertaking distributing the challenged product. Remarkably and contrary to this principle, in the present case the Court also considers that it was Lindt’s clearly expressed intention to create a chocolate teddy which was oriented towards its well-known “GOLDEN BUNNY”. The latter, undisputed, would refer to the defendant’s undertaking and, thus, be perceived “as a trademark”. Consequently, so the court, it is at least very likely that the appearance of the teddy will also be perceived “as a trademark”.



Dr. Philipe Kutschke



The Court nonetheless denies a relevant “link” between the conflicting signs in the above mentioned sense, because the conflicting signs are not similar enough. Insofar the Court basically applies the same criteria as the District Court, namely whether or not the designation “Goldbären” (“golden bears”) was the obvious, easy and exhaustive designation for Lindt’s chocolate teddy and, thus, whether it was the closest and most fitting description for the product. Taking into account that the overall impression produced by the challenged product is influenced not only by its shape and colour, but also by its other design and word elements as outlined

above, the Appeal Court found that the designation “Goldbären” would not meet these criteria.

The Court also rejected Haribo’s argument that Lindt would exploit the reputation of Haribo’s word mark. The Court concluded that Lindt itself was well-known for its delicate chocolate products. The golden teddy would simply follow its well-known “GOLDEN BUNNY” which would speak against Haribo’s allegation.

Consequently, use of the appearance of Lindt’s “TEDDY” does not infringe Haribo’s trademark rights in the designation “Goldbären”.

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## Remarks

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With an interim result of 1:1 the final outcome of this dispute at first glance appears to be unpredictable. However, taking into account long-standing trademark law principles the better arguments are on the side of the defendant: It appears to be absolute exceptional that a certain expression which is protected as a word mark is the exhaustive designation for the appearance of a complex product’s appearance, in particular if the product, besides its shape and colour, comprises word and design elements which do not coincide with the protected earlier trademark. Insofar, the Appeal Court – contrary to the

District Court – correctly applies the standard test in infringement proceedings regarding the assessment of the overall impression of complex signs and comes to an overall entirely reasonable result.

Altogether, the decision comes somehow like a consolation for the defendant: It is very difficult for Lindt to enforce its 3D trademarks in its famous golden bunny, but at least the product appearance of its teddy seems to be in safe waters regarding conflicts with Haribo’s earlier word marks.

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**12. Court of Justice of the European Union: Establishing individual character for unregistered Community designs (decision of June 20, 2014 – Case C-345/13 – Karen Millen v Dunnes)**

Reported by Dr. Henning Hartwig

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**On June 24, 2013, the Court of Justice of the European Union received a request for a preliminary ruling from the Irish Supreme Court, concerning the interpretation of Articles 6 and 85 (2) Community Designs Regulation (CDR). The request was made in proceedings between Karen Millen Fashions Ltd., on the one hand, and Dunnes Stores and Dunnes Stores (Limerick) Ltd., on the other, concerning asserted rights in an unregistered Community design. The following two questions were referred to the Court of Justice for a preliminary ruling:**

1. In consideration of the individual character of a design which is claimed to be entitled to be protected as an unregistered Community design for the purposes of the CDR, is the overall impression it produces on the informed user, within the meaning of Article 6 CDR, to be considered by reference to whether it differs from the overall impression produced on such a user by

(a) any individual design which has previously been made available to the public, or

(b) any combination of known design features from more than one such earlier design?

2. Is a Community design court obliged to treat an unregistered Community design as valid for the purposes of Article 85 (2) CDR where the right holder merely indicates what constitutes the individual character of the design or is the right holder obliged to prove that the design has individual character in accordance with Article 6 CDR?

I.

Turning to the first question, the Court of Justice started with finding that there is nothing in the wording of Article 6 CDR supporting the view that the overall impression referred to therein may be taken from a combination of features drawn from a number of earlier designs. Rather, the reference to the overall impression produced on the informed user by “any design”, under Article 6 CDR, indicated that any “[...]” assessment as to whether a design has individual character must be conducted in relation to one or more specific, individualised, defined and identified designs from among all the designs which have been made available to the public previously”.

As regards Recitals 14 and 19 CDR, where the expressions “the existing design corpus” and “in comparison with other designs” appear, the Court held that the preamble to a Community act had “[...]” no binding legal force and cannot be relied on either as a ground for derogating from the actual provisions of the act in question or for interpreting those provisions in a manner clearly contrary to their wording”. Moreover, as regards the reference to “combinations of known design features” in Article 25 (1) Sentence 2 TRIPS Agreement, the Court found that that provision is “[...]” worded in optional terms and that, consequently, the parties to that agreement are not required to provide for the novel character or originality of a design to be assessed in comparison with such combinations”.

Consequently, according to the Court of Justice, Article 6 CDR “[...]” must be interpreted as meaning that, in order for a design to be considered to have individual character, the overall

impression which that design produces on the informed user must be different from that produced on such a user not by a combination of features taken in isolation and drawn from a number of earlier designs, but by one or more earlier designs, taken individually”.

II.

As regards the second question, the Court started with stressing that, in order for an unregistered Community design to be treated as valid pursuant to Article 85 (2) CDR, the right holder of that design is required to prove that the conditions laid down in Article 11 CDR have been met and to indicate what constitutes the individual character of that design.

Given that Article 85 (2) CDR establishes a presumption of validity of unregistered Community designs, the implementation of such presumption, according to the Court, is, by its very nature, incompatible with requiring the holder of a design to prove that it has individual character, *i.e.* “conditions laid down in Article 11” does not extend to Articles 3 to 9 CDR, including Article 6 CDR.

Turning to the second condition laid down in Article 85 (2) CDR, the Court of Justice ruled that requiring the holder of an unregistered Community design to indicate what constitutes the individual character of that design is “[...] unambiguous and cannot be interpreted as entailing an obligation to prove that the design concerned has individual character”. Rather, and “[...] although, given the lack of registration formalities for this category of design, it is necessary for the holder of the design at issue to specify what he wants to have protected under that regulation, it is sufficient for him to identify the features of his design which give it individual character”.

Consequently, according to the Court of Justice, Article 85 (2) CDR “[...] must be interpreted as meaning that, in order for a Community design court to treat an unregistered Community design as valid, the right holder of that design is not required to prove that it has individual character within the meaning of Article 6 CDR, but need only indicate what constitutes the individual character of that design, that is to say, indicates what, in his view, are the element or elements of the design concerned which give it its individual character”.

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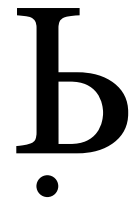
## Remarks

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The decision in *Karen Millen v Dunnes* covers at least four aspects which appear worth being discussed in more detail:

Firstly, the Court confirms that the preamble to any Community act and, in particular, the Recitals of the Community Designs Regulation have no binding legal force and cannot be relied on for interpretation purposes in a manner clearly contrary to the wording of the text. This should be also valid in other situations, such as, for instance, when Recital 14 CDR requires that

the “[...] assessment as to whether a design has individual character should be based on whether the overall impression produced on an informed user viewing the design **clearly differs** from that produced on him by the existing design corpus” (emphasis added) while Article 6 (1) CDR provides that a “[...] design shall be considered to have individual character if the overall impression it produces on the informed user differs from the overall impression produced on such a user by any design [...]”.



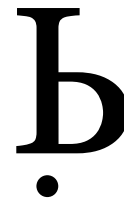
Secondly, according to the Court, Article 25 (1) Sentence 2 TRIPS Agreement (“combinations of known design features”) is worded in optional terms and, consequently, the parties to the TRIPS Agreement are not required to provide for the novel character or originality of a design to be assessed in comparison with such combinations. In view of the wording of the Designs Directive as regards determining the individual character, which is identical with the wording of the CDR, the same interpretation would also apply to national designs.

Thirdly, the Court of Justice spent some paragraphs addressing and clarifying former guidance provided in *PepsiCo v Grupo Promer* (BARDEHLE PAGENBERG IP Report 2011/V) and *Neuman* (BARDEHLE PAGENBERG IP Report 2012 Special/IV). The discussion is basically about whether it is correct to hold, in the Court’s words, “[...] that, when possible, the informed user will make a direct comparison between the designs at issue [...] because that type of comparison actually relates to the impression produced on that user by earlier individualised and defined designs, as opposed to an amalgam of specific features or parts of earlier designs”. The Court continued to confirm that “[...] it cannot be ruled out that a direct comparison might be impracticable or uncommon in the sector concerned, in particular because of specific circumstances or the characteristics of the items which the earlier mark and the design at issue represent. [...] It should be remembered, however, that although the Court acknowledged the possibility of an indirect comparison of the designs at issue, it went on to hold merely that the General Court had not erred in basing its reasoning on an imperfect recollection of the overall impression produced by those designs”. The Court does not explicitly disavow the “indi-

rect comparison” approach but obviously sees a need to explain its previous judgments. However, these explanations do not provide a clearer picture: For instance, when might a direct comparison be “impracticable or uncommon in the sector concerned” and, in particular, what is meant and/or required when considering the “[...] specific circumstances or the characteristics of the items which the earlier mark and the design at issue represent [...]”?

Fourthly, the Court’s guidance, under the second condition set out in Article 85 (2) CDR, according to which it is sufficient for the holder of an unregistered Community design to “identify the features” or to indicate the “element or elements of the design concerned” which give it its individual character is clearly helpful but lacks clarification, in the absence of any corresponding question of the referring Irish Supreme Court, as to how such identification must be exercised. For instance, does the right holder need to provide a complete language, including and weighing major and minor features of appearance, so as to identify completely and properly the overall impression of the design or does it suffice to submit a plain drawing or other picture indicating in simple terms the contours or elements of the design? Is the requirement to identify the features or elements establishing individual character a question of fact or a question of law? Should the right holder consider prior art when producing any kind of “claim”?

For now, it will be for the national courts to fill in these general indications of the Court. Hopefully further referrals to the Court of Justice will address these and other issues that may appear secondary but in fact may actually often be outcome-decisive.



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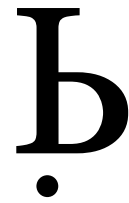
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