



IP Report 2012/II

**BARDEHLE
PAGENBERG**



Patent Law

- 3 1. German Federal Supreme Court on the entitlement to compensation for an employee invention (decision of November 22, 2011 – Case X ZR 35/09 – Ramipril II)
- 5 2. European Patent Office: Revision of Guidelines for Examination in the EPO (entering into force foreseen for June 1, 2012)
- 9 3. Dusseldorf District Court on requirements for annulling a preliminary injunction due to changed circumstances (decision of September 15, 2011 – Case 4b O 99/11 – Tintenpatronen-Verfügung/Ink Cartridge-Injunction)

Trademark Law

- 11 4. Court of Justice of the European Union: Registrability of abbreviations together with complete indication (decision of March 15, 2012 – Joined Cases C-90/11 and 91/11 – Strigl v GPTO and Securvita v Öko-Invest – MMF and NAI)
- 13 5. Court of Justice of the European Union: Conflict between Community trademark and national trademark – Definition of “priority” (decision of March 22, 2012 – Case C-190/10 – Génesis Seguros Generales v Boys Toys – Rizo)
- 15 6. German Federal Supreme Court on burden of proof of originality of products in trademark exhaustion cases (decisions of March 15, 2012 – Cases I ZR 52/10 and I ZR 137/10 – CONVERSE)
- 16 7. Frankfurt Appeal Court: Still no likelihood of confusion between Lindt’s “Golden Bunny” and Riegelein’s Easter Bunny (decision of October 27, 2011 – Case 6 U 10/03 – Goldhase III/Golden Bunny III)
- 18 8. German Federal Patent Court: “S-Bahn” is descriptive (decision of March 14, 2012 – Case 26 W (pat) 21/11 – S-Bahn/City Train)

Design Law

- 20 9. German Federal Supreme Court clarifies requirements for testing infringement of a Community design (decision of September 28, 2011 – Case I ZR 23/10 – Kinderwagen/Pram)

1. German Federal Supreme Court on the entitlement to compensation for an employee invention (decision of November 22, 2011 – Case X ZR 35/09 – Ramipril II)

Reported by Martin Hohgardt

An inventor is entitled to compensation for an employee invention even if this invention has an economic relevance due to one element which was added to the patent application by way of a contribution of another person and was not part of the employee invention report of the inventor.

The plaintiff is co-inventor of two employee inventions. The inventor reported these inventions to the defendant – the employer of the plaintiff – and the defendant claimed the inventions in accordance with the German Act on Employee Inventions. Due to this claiming, the employer obtained the rights to the inventions, but in exchange he has the obligation to pay a reasonable compensation based on the value of the invention. Such a value exists, for example, when the employer offers a product in accordance with the invention, licenses the invention and/or uses the invention to prevent competitors to produce or offer a certain product.

The second of the two employee inventions relates to a composition for a topical application having anti-androgenic actions for medical adhesive plasters. The composition comprises at least one physiologically tolerated film-forming agent, at least one physiologically tolerated solvent, at least one plasticizer and a compound of the formula I as shown in the published German patent application DE 198 48 856 A1. This composition could be combined with a blood flow-promoting compound. According to the subject-matter of dependent claim 8 of the patent application, amongst others, ramipril, could be used for this purpose.

With respect to the second invention, the defendant filed patent applications in Germany

and in the US. The US patent application was mentioned, amongst others, in a license agreement of December 1998 with a US company, valued 362,5 Million US-Dollars. The plaintiff, upon discovering this license agreement, asked the employer in February 2000 for employee compensation.

In May 2000, the US company and the defendant agreed to exclude the respective US patent application from the license agreement, however, with the condition that

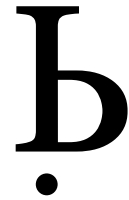
- the defendant shall exclude in any future license agreement the right to sell products with the same composition of ramipril as offered by the US company and
- nobody shall be allowed to sell in the US adhesive plasters containing ramipril or other topical compositions having as main ingredient ramipril.

The plaintiff filed a complaint for employee compensation for both employee inventions. In a decision dated March 19, 2009, the Frankfurt Appeal Court had decided that the plaintiff does not have a right for compensation for the second invention. Due to the license agreement, there would only be an obligation by the defendant for paying compensation, if ramipril was an – optional – part of the composition according to the invention. However, ramipril was not mentioned in the employee invention report of the plaintiff and is therefore regarded as not being part of his invention.

Against this decision, the plaintiff filed a revision with the German Federal Supreme Court. The revision was successful.



Martin Hohgardt



The German Federal Supreme Court confirms in the decision that the basis for the compensation is the reported invention. However, according to the decision, this does not mean that no compensation has to be paid, if one element has an economic relevance which was added to the patent application due to the contribution of another person and was not part of the employee invention report of the inventor.

For the present case, in which the contribution of another person is defined by the subject-

matter of a dependent claim (subject-matter of dependent claim 8 which refers to independent claim 1), this means there still arises an entitlement to compensation, because if someone uses the subject-matter of dependent claim 8, he will definitely use also the subject-matter of independent claim 1, which was described in the employee invention report of the plaintiff.

Therefore, the Federal Supreme Court has referred this decision back to the Frankfurt Appeal Court.

Remarks

This decision of the Federal Supreme Court confirms that an invention made jointly by several co-inventors has to be regarded as one invention. Therefore, each co-inventor is entitled to compensation. For the calculation of the compensation, the contribution of each co-inventor is taken into account. However, this calculation considers the individual contribu-

tions percentagewise, considering the invention as a whole and not as specific pieces formed by a combination of features defining the invention. Hence, the decision shows that an invention has to be taken into account as a whole for calculating the compensation by the employer, with no cherry picking by the employer being allowed.

2. European Patent Office: Revision of Guidelines for Examination in the EPO (entering into force foreseen for June 1, 2012)

Reported by Dr. Rudolf Teschemacher

The Guidelines for Examination in the EPO have been restructured into eight parts, their content has been updated, and parts of internal instructions have been incorporated in them. The EPO announces that the Guidelines will be published online in the EPO's three official languages in June. To make the revised Guidelines easier to use, a concordance table and a table of contents with references to the old version are also published on the website.

So far the Guidelines have comprised five parts A to E. To these, 3 new parts F, G and H have been added. The new structure is as follows:

- Part A: Guidelines for Formalities Examination;
- Part B: Guidelines for Search;
- Part C: Guidelines for Procedural Aspects of Substantive Examination;
- Part D: Guidelines for Opposition and Limitation/Revocation Procedures;
- Part E: Guidelines on General Procedural Matters;
- Part F: The European Patent Application;
- Part G: Patentability; and
- Part H: Amendments and Corrections.

Not much has changed in Part A. The main amendment concerns the new procedure preceding grant pursuant to amended Rule 71 and new Rule 71a which provides for a further communication if the applicant does not agree to the text intended for grant. Whereas C-V, 4 mainly covers amendments in reply to a Rule 71 (3) communication, the fee aspects are dealt with in A-X, 11.

The structure and main content of Part B has not been changed. New topics dealt with comprise

- internet disclosures (B-VI, 7),

- claims contravening Article 123 (2) or Article 76 (1) EPC as a basis for restricting the search (B-VIII, 6), and
- information on prior art under Rule 141 EPC (B-XI, 9), the latter section containing the correct clarification that invitations under Rule 141 (3) EPC may be made only when the application has entered the examination phase.

Parts C and D no longer comprise aspects of substantive law but rather relate only to procedural aspects of examination and opposition proceedings, respectively. Substantive requirements are now dealt with in new parts F and G. In part C the section on decisions according to the state of the file (C-V, 15) has been substantially broadened, reminding examiners that using this type of decision is no exception to the principle that a decision has to be adequately reasoned. According to the case law of the Boards of Appeal, this principle is violated if proper grounds have to be constructed by “mosaicing” from the file various arguments related to various versions of claimed subject-matter. Matters taken from previous internal instructions include the conducting of interviews and the use of e-mail (C-VII, 2).

In part D only few amendments have been made, including a short paragraph on the filing of oppositions online (D-III, 3.2) and an equally short section on clarity (D-V, 5) which deals in three lines with one of the problems in opposition proceedings with the most diverse facets.

Many amendments have been made in Parts E and F. In Part E dealing with procedural matters relevant to several stages of proceedings before the EPO, the volume of the Chapter on oral proceedings has almost doubled and the Chapter on the taking of evidence has also been substantially



Rudolf Teschemacher

expanded (Part E-II and III). There is a new paragraph on the use of models as means of evidence (E-III, 1.11). In the Section on evaluation of evidence, examples are given of which standard of proof may be applied in which situation (E-III, 4.3). It would have been even more pertinent to cite the statement of the Enlarged Board of Appeal in G 3/97 that proceedings before the EPO follow the principle of free evaluation of evidence and that this principle would be contradicted by laying down firm rules of evidence trying to define the extent to which certain types of evidence are, or are not, convincing.

Part F, dealing with the requirements other than patentability which the application must fulfill, in particular unity of invention, sufficiency of disclosure, clarity and the right to priority, contains the useful recommendation to use the relevant WIPO standards for identifying the background art in the description (F-II, 4.3.1). The Chapter on sufficiency of disclosure contains a new section on “reach-through” claims, stating that claims directed to merely functionally defined chemical compounds that are to be found by means of a new kind of research tool (*e.g.* using a new screening method based on a newly discovered molecule or a new mechanism of action) are directed to future inventions, for which patent protection under the EPC is not designed, and requiring that the claimed subject-matter be limited to the actual contribution to the art (F-III, 9). A further new section addresses in quite general terms the delicate borderline between the requirements of sufficiency of disclosure and clarity which is a typical problem when products are defined by parameters (F-III, 11). In the Chapter on claims, the paragraph on essential features has been expanded and examples illustrating essential features have been added (F-IV, 4.5).

The major part of Part G dealing in particular with the notion of invention, exceptions from patentability, novelty, inventive step and industrial application has been taken from previous Part C. As to the non-inventions in Article 52 (2) EPC,

two items “User interfaces” and “Data retrieval, formats and structures” have been added to the paragraph “Presentation of information” (G-II, 3.7). In the Chapter on the state of the art, a new paragraph allows the examiner to base an objection on a machine translation. A party objecting to the use of such translation shall bear the burden of adducing evidence showing the extent to which the quality of the machine translation is defective and should therefore not be relied upon (G-IV, 4.1). Still in the same Chapter, a new paragraph deals with the question under which circumstances standards and standard preparatory documents belong to the state of the art. In this context it is stated that the EPO’s in-house databases are regarded as being available to the public (G-IV, 7.6). In respect of the interpretation of the state of the art, a new paragraph deals with error margins in numerical values stipulating that where no other error margins are given, the maximum margin should be ascertained by applying the rounding-off convention to the last decimal place, *e.g.* for a measurement of 3.5 cm, the error margin is 3.45 - 3.54. The passage continues in stating that, when interpreting ranges of values in patent specifications, the skilled person proceeds on the same basis (G-VI, 8.1). Thus, it may be hoped that the EPO applies the same criteria when interpreting the original disclosure of the application for assessing the allowability of an amendment. Concerning inventive step, a section on claims comprising technical and non-technical aspects has been added, based on decision T 641/00 (Comvik).

Part H deals with amendments and corrections. Only few Sections have predecessors in the previous Guidelines. Chapter H-I is an introduction, Chapters H-II and H-III deal with the admissibility of amendments at different stages in the different proceedings, while Chapters H-IV and H-V deal with their allowability (in particular Article 123 [2] and [3], Article 84 EPC). Chapter H-VI is dedicated to the correction of evident errors in documents submitted to the EPO or in decisions of the Examining or Opposition Divisions.

Remarks

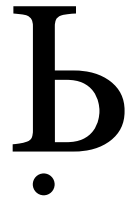
The Guidelines for Examination are the most important working tool of an examiner next to the EPC itself. The Guidelines are based on long experience and generations of EPO staff have contributed to improving them.

The new text seems to have been finalized quite some time ago. At least did the EPO stop to accept proposals for amending this text some time ago. It can be seen from the epi information that the draft was presented last year to the SACEPO Working Party on Guidelines. The public does not know how this representation of the users reacted to the draft and what the effect of its input was. However, it might be that a broader consultation would assist the EPO in making the Guidelines even better. This would not only give more weight to the perspective of the users but also avoid inconsistencies. Inviting the public to make suggestions after the work has been done (see the preliminary remarks) cannot replace appropriate consultation before the practice of the office has been fixed for the years to come. Consultation policy of the USPTO could be a model for the EPO.

The Section on late filed requests can be taken as an example for an inconsistency. Referring to T 153/85, it is stated in H-II, 2.7.1, 1st para., that the Examining Division “will apply the criterion of ‘clear allowability’ in exercising its discretion under Rule 137 (3) for treating requests filed late during the proceedings without proper justification”, and in the 3rd para. that this also applies to patent proprietors’ late filed requests in opposition proceedings. According to the 2nd para., not clearly allowable claims are claims which “clearly do not satisfy the requirements of the EPC, because for example they clearly violate the requirements of Article 123 (2)”. This definition is a mix of two different approaches, *i.e.* “not clearly allowable” and “clearly not allowable” used in the case law of the Boards of Appeal for

quite different situations. “Clearly” in this respect means “at first glance” or “*prima facie*”. “Not clearly allowable” leaves the final judgment on the allowability of the amendment open, because it would require further examination, whereas “clearly not allowable” is a definite negative judgment. Thus, the new Guidelines give the examiners a misleading instruction which is not appropriate for achieving a harmonized practice of Examining and Opposition Divisions.

Another inconsistency persists in A-II, 4.1.3.1. An applicant who has made use of the possibility of reference filing has to file a copy of the previous application in accordance with Rule 40 (3), 1st sentence, EPC. Rule 40 (3), 3rd sentence, EPC stipulates that Rule 53 (2) EPC shall apply *mutatis mutandis*. The latter provision releases the applicant from the obligation to file a copy of a previous application from which priority is claimed if a copy of that application available to the EPO is to be included in the file under the conditions determined by the President of the EPO. The unsuspecting reader of Rules 40 and 53 would conclude therefrom that the conditions for releasing the applicant from his obligation to file a copy of the previous applications are the same under both provisions. However, this is not the practice announced in the Guidelines. Whereas the Guidelines A-III, 6.7 stipulate that the priority document need not be filed if the previous application is a European application, an international application filed with the EPO, an application filed in Japan, Korea or the USA, the Guidelines A-II, 4.1.3.1 want to exempt the applicant from his obligation only if the previous application on which the reference filing is based was filed with the EPO. This is not only a matter of transparency of the law but also raises the question whether the EPO is entitled to restrict the scope of the application *mutatis mutandis* laid down in Rule 40 (3), 3rd sentence, EPC.



Those who may have hoped that the EPO would use the revision of the Guidelines for sorting out at the administrative level only some of the problems which came to light as a consequence of the project “Raising the bar” will be disappointed. The Guidelines still state that an objection under Rule 137 (5) does not trigger the time limit for mandatory division (A-IV, 1.1.1.3), a legal position which is rather doubtful in view of Article 4 G (1) of the Paris Convention. The Guidelines still give the examiner the free choice of choosing between

an objection under Article 82 and an objection under Rule 43 (2) EPC (F-IV, 3.3), although the latter does not open the possibility of filing a divisional application. This has the consequence that subject-matter is irrevocably lost if the objection is raised after the time limit under Rule 36 (1) (a) EPC has lapsed. This inactivity on the administrative level gives little hope that the EPO will take substantive action on the legislative level in order to correct the course taken by the previous management.

3. Dusseldorf District Court on requirements for annulling a preliminary injunction due to changed circumstances (decision of September 15, 2011 – Case 4b O 99/11 – Tintenpatronen-Verfügung/Ink Cartridge-Injunction)

Reported by Nadine Heiartz

A first instance decision of the German Patent and Trademark Office (DPMA) regarding the (partial) cancellation of a utility model does not allow for lifting a previously granted preliminary injunction due to changed circumstances if it is based on the same prior art and arguments which were previously also presented to the infringement court having granted the preliminary injunction. The different assessment of the validity by the DPMA, on the one hand, and the infringement court, on the other hand, in such case only represent opposing legal opinions and do not provide for changed circumstances in the sense of Section 927 German Code of Civil Procedure (ZPO).

The defendant of the present case is the owner of the utility model in suit and was granted a preliminary injunction in preceding preliminary injunction proceedings based on said utility model by the Dusseldorf Appeal Court (*i.e.* the present defendant was the plaintiff in the preceding preliminary injunction proceedings). The Dusseldorf Appeal Court found the utility model in suit to be infringed and valid, and thus granted a preliminary injunction.

The plaintiff of the present case (*i.e.* the alleged infringer) filed a request for (partial) cancellation of the utility model in suit with the DPMA, which after the grant of the preliminary injunction in fact cancelled the utility model in suit with regard to claim 1 and 2. The decision of the DPMA is based on the same prior art and arguments as presented earlier to the Dusseldorf Appeal Court which found the utility model to be valid. The decision of the DPMA is not yet final.

In view of this decision of the DPMA, the plaintiff (*i.e.* the alleged infringer) then requested the preliminary injunction to be set aside, because the (partial) cancellation of the utility model in suit, according to the plaintiff, provided for changed circumstances in terms of Section 927 German Code of Civil Procedure.

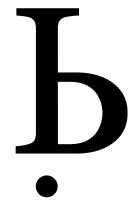
In the present decision, the Dusseldorf District Court held that the prerequisites of Section 927 ZPO were not met and therefore dismissed the plaintiff's request to set aside the preliminary injunction.

The District Court first set out the requirements of a reversal according to Section 927 ZPO: A preliminary injunction is lifted if the prerequisites for granting the injunction are subsequently no longer met so that the existence of the injunction is no longer justified. Changed circumstances that may affect the claim or the ground for an injunction are facts that occur only after the preliminary injunction has been granted, or that already existed but were not known to the plaintiff, as well as new evidence that was not known to or not accessible for the plaintiff, as well as certain legal changes (such as legislative amendments). However, a different legal assessment does not provide for such changed circumstances.

Against this background, the District Court held that the above mentioned decision of the DPMA had to be taken into account as an important competent statement, but that it did not have any binding effect as it was not a final decision. It could not provide for any changed circumstances, because it is based on the same prior art and arguments as the validity assessment of



Nadine Heiartz



the Dusseldorf Appeal Court which previously granted the preliminary injunction. Therefore, merely two opposing legal opinions were at hand which did not represent any changed circum-

stances in the sense of Section 927 ZPO. Thus, the preliminary injunction could not be lifted on that basis.

Remarks

The present decision is an illustrative example for the effect of the German bifurcated system where both the infringement courts and the nullity instances have to make their own assessment

of the question of validity, whereas non-final decisions of nullity instances in principle take no precedence over the assessment of the infringement court.

4. Court of Justice of the European Union: Registrability of abbreviations together with complete indication (decision of March 15, 2012 – Joined Cases C–90/11 and 91/11 – Strigl v GPTO and Securvita v Öko-Invest – MMF and NAI)

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

The Court of Justice (ECJ) has developed rules for judging whether a mark is descriptive. In essence the test is whether the mark consists exclusively of indications which inform the relevant public – consumers of the goods or services for which protection is sought – directly and without further reflection about the product (what it is or does) or about its characteristics. New cases must be judged under this standard. Descriptive marks are also devoid of distinctiveness. Practice differed between OHIM and national offices as to how to apply the rule to marks consisting of abbreviations and an indication which allows the public to understand what the abbreviation stands for. This led to the present judgment.

In two parallel cases – *ex parte* examination and invalidation – the same question arose before the German Federal Patent Court on review of German Patent and Trademark Office decisions: Is a trademark descriptive (or lacking distinctiveness) when it consist of an abbreviation, which as such would be registrable, and words the initial letters of which make up the abbreviation and the words are descriptive or non-distinctive. The cases involved, first, the mark “Multi Markets Fund MMF” and “NAI – Der Natur-Aktien-Index” (NSI – the Nature Shares Index).

The Federal Patent Court referred the following questions to the ECJ:

Is the ground for refusal under Article 3 (1) (b) and/or (c) of the Directive also applicable to a word sign which consists of a descriptive word combination and a non-descriptive letter sequence, if the relevant public perceives the letter sequence as an abbreviation of the descriptive words because it reproduces their initial letters, and the trade mark as a whole can thus be construed as a combination of mutually explanatory descriptive indications or abbreviations?

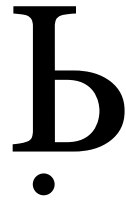
Is the ground for refusal under Article 3 (1) (b) and/or (c) of the Directive also applicable to a word sign which consists of a letter sequence which is non descriptive – when considered on its own – and a descriptive word combination, if the relevant public perceives the letter sequence as an abbreviation of the descriptive words because it reproduces their initial letters, and the trade mark as a whole can thus be construed as a combination of mutually explanatory descriptive indications or abbreviations?

The ECJ joined the two cases and decided, after having heard the Advocate General on January 26, 2012, as follows:

Article 3 (1) (b) and (c) of Directive 2008/95/EC of the European Parliament and of the Council of October 22, 2008 to approximate the laws of the Member States relating to trade marks must be interpreted as meaning that it is applicable to a word mark which consists of the juxtaposition of a descriptive word combination and a letter



Alexander von Mühlendahl



sequence which is non-descriptive in itself, if the relevant public perceives that sequence as being an abbreviation of that word combination by reason of the fact that it reproduces the first letter of each word of that combination, and

that the mark in question, considered as a whole, can thus be understood as a combination of descriptive indications or abbreviations which is therefore devoid of distinctive character.

Remarks

The answer of the Court fits into or under the general rule governing the analysis of word marks under the descriptiveness or distinctiveness standards. Nevertheless, it is hardly convincing under the assumption that the abbreviation itself is neither descriptive nor non-distinctive. We are all familiar with abbreviations like IBM or BMW or ABC or NBC or HSBC etc., which may differ from the present cases because of the renown of these abbreviations. But think of something like BCJ – BCJ is a perfect trademark for fruit juices even if it

stands for “black currant juice”, and remains so even if joined by the full term.

The advice to trademark applicants would therefore be to apply for stand-alone abbreviations like NAI or MMF or BCJ, and leave the full term to actual market use.

The present case is remarkable for the speed with which it was resolved, in less than 13 months.

5. Court of Justice of the European Union: Conflict between Community trademark and national trademark – Definition of “priority” (decision of March 22, 2012 – Case C–190/10 – Génesis Seguros Generales v Boys Toys – Rizo)

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

In cases of conflicts between Community trademarks among each other and between Community trademarks and national marks the date of filing (or date of priority) is decisive. No consideration may be given to the hour and minute during the day.

In an opposition case before the Spanish Patent and Trademark Office involving the marks “Rizo” and “Rizo’s” the issue arose whether in order to determine priority between a Community trademark and a national mark a smaller unit than the day of filing should or may or must be taken into account.

The Spanish Supreme Court referred the following question for a preliminary ruling:

“May Article 27 of [Regulation No 40/94 as amended] be interpreted in such a way as to enable account to be taken not only of the day but also of the hour and minute of filing of an application for registration of a Community trademark with OHIM (provided that such information has been recorded) for the purposes of establishing temporal priority over a national trademark application filed on the same day, where the national legislation governing the registration of national trademarks considers the time of filing to be relevant?”

The Court proceeded to analyse Article 27 CTMR, which governs the “date of filing”, and concluded that “date” of filing was the same as “day” of filing. It then analysed whether the same result should or must apply in cases of conflicts between Community trademarks and national trademarks, and concluded that national authorities are not allowed to take into account a unit smaller than “day”.

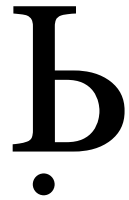
The answer given by the Court was as follows:

“Article 27 of Council Regulation (EC) No 40/94 of December 20, 1993 on the Community trademark, as amended by Council Regulation (EC) No 1992/2003 of October 27, 2003 must be interpreted as precluding account being taken not only of the day but also of the hour and minute of filing of an application for a Community trademark with the Office for Harmonisation in the Internal Market (trademarks and designs) (OHIM) for the purposes of establishing that trademark’s priority over a national trademark filed on the same day, where, according to the national legislation governing the registration of national trademarks, the hour and minute of filing are relevant in that regard.

Remarks

The decision seems self-evident. What is surprising is that there appear to be national trademark

offices in the European Union, such as the Spanish office, which actually take smaller units



than “day” into account. This is “legal” because the Harmonisation Directive of 1988 (as codified in 2008) does not provide for a harmonised rule for determining the date of filing. After the present judgment it is now clear – as it should have been even before – that as regards Commu-

nity trademarks the “day” of filing (or priority) counts, not only in proceedings before OHIM, but also before all national IP offices. When two trademarks have the same filing (or priority) date, neither of them is “earlier” and neither prevails over the other. The marks therefore coexist.

6. German Federal Supreme Court on burden of proof of originality of products in trademark exhaustion cases (decisions of March 15, 2012 – Cases I ZR 52/10 and I ZR 137/10 – CONVERSE)

Reported by Dr. Philippe Kutschke

The two lawsuits concern the question of who has to prove that products are original or counterfeits, and who has to prove that the products have been put on the market within the territory of the European Economic Area with the consent of the trademark holder.

The claimant sued the defendant for distribution of alleged counterfeits.

In the first proceeding, the defendant argued that the products concerned, the world-famous shoe “Converse All Star Chuck Taylor”, originate from the claimant and that its trademark rights were exhausted. The Federal Supreme Court found that, in this respect, the burden of proof generally rests with the defendant. However, the claimant, arguing that these products were counterfeits, has to present indications or circumstances that allow this conclusion. In the present case, the claimant had met these prerequisites. As regards the allegation that the products were put on the market in the European Economic Area with the consent of the trademark holder, the burden of proof also generally rests with the defendant. However, if the trademark holder maintained a selective distribution system that prevents cross-border

distribution of the products within the territory of the European Economic Area, and if that system could lead to foreclosure of the market in case the defendant discloses the supply chain, the burden of proof rests on the claimant. In the present case, the court found that there exists no danger of foreclosure of the market.

In the second case, the claimant argued that the products concerned (again, the shoe model “Converse All Star Chuck Taylor”) were put on the US market by the holder of the trademark rights. The defendant argued that the rights holder had put the products concerned on the market within the European Economic Area and that he had received the products from a former Slovenian distributor of the claimant. Given that it was a former distributor of the claimant and not a current distributor, the court found that there was no danger of foreclosure of the market, because the claimant had no possibility to influence the “delivery behavior” of the Slovenian distributor in the future.

As a consequence, the claimant succeeded in both proceedings, because the defendants failed to provide proof that the products had been put on the market in the European Economic Area with the consent of the trademark holder.



Philippe Kutschke

7. Frankfurt Appeal Court: Still no likelihood of confusion between Lindt’s “Golden Bunny” and Riegelein’s Easter Bunny (decision of October 27, 2011 – Case 6 U 10/03 – Goldhase III/Golden Bunny III)

Reported by Dr. Philippe Kutschke

The claimant challenged the sale of a chocolate Easter bunny of a competitor, claiming infringement of its three-dimensional Community trademark registration, comprising the shape of a sitting bunny in gold foil, with ornamental drawings, a pleated red collar with a ribbon and golden bell, and a logo consisting of figurative elements and the word elements “Lindt GOLDHASE” (“Lindt [a short form of the company name of the claimant] golden bunny”) on the bunny’s limb. The Easter bunny of the competitor also comprises the shape of a sitting bunny in gold/bronze foil, ornamental paintings, a painted brown ribbon and a logo consisting of the word elements “RIEGELEIN CONFISERIE” (“Riegelein [a short form of the company name of the defendant] confectionary”) on the bunny’s limb. The case concerns distribution in Germany. However, the claimant is also challenging distribution of competitors’ chocolate bunnies in other countries.

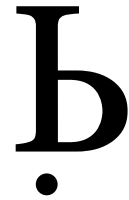
The Frankfurt District Court dismissed the complaint. The Frankfurt Appeal Court confirmed the decision. Upon appeal of the claimant, the Federal Supreme Court reversed the decision in 2006 and remanded the case for further consideration to the Frankfurt Appeal Court, arguing that the Appeal Court had, *inter alia*, erred when assessing the distinctive character of the sign-in-suit (see BARDEHLE PAGENBERG IP Report 2006/VI).

After remand, the Frankfurt Appeal Court again rejected the complaint (see BARDEHLE

PAGENBERG IP Report 2008/II). The claimant filed a further appeal with the Federal Supreme Court which reversed the decision again and remanded the case for further consideration to the Frankfurt Appeal Court (see BARDEHLE PAGENBERG IP Report 2011/I). The Frankfurt Appeal Court now rejected the complaint for the third time.

The Appeal Court comes to the conclusion that the shape and color of the Golden Bunny will be perceived by consumers as an indication of origin, *i.e.*, “as a trademark”. However, these features only enjoy a low degree of distinctiveness. Although market surveys presented by the claimant demonstrate that the clear majority of the interviewed persons correctly assign the shape of the claimant’s Easter Bunny to the claimant, the court finds that these results do not demonstrate a high degree of distinctiveness. The reason for the positive results was the dominant market position of the claimant rather than the nature of the shape as an indication of origin. As regards the pleated red collar with a ribbon and the small bell and the ornamental painting of the Easter Bunny, the court assumes that these features do not function as an indication of origin, but are mere decorative elements. By contrast, the word sign displayed on the Golden Bunny enjoys a high degree of distinctiveness.

According to the Court the shape and the color of the allegedly infringing bunny are highly similar to the shape and color of the sign-in-suit. Therefore, the shape and the color of the contested bunny serve as an indication of origin. However, the other distinctive elements of the



conflicting signs, namely the word signs, are clearly dissimilar. Hence, there exists no likelihood of confusion. Besides rejecting claims based

on trademark rights, the court also rejects further claims based on unfair competition and misleading advertising.

Remarks

The outcome of the present decision was already expected by the author (see BARDEHLE PANGENBERG IP Report 2011/I); however, it is still disappointing. It appears that the Appeal Court, again, did not adequately consider the relevant criteria as outlined by the Federal Supreme Court and the specific circumstances of the case. First of all, it appears that the court failed to assess correctly the relevance of the shape of the conflicting signs. Second, it did not adequately take into account that other chocolate Easter Bunnies look very different from the “Golden

Bunny” of the claimant. The overwhelming results of the market surveys are rather indicative that the shape and colour of the Golden Bunny are highly distinctive. Further to that, the court fails to assess the overall similarity of the conflicting bunnies. In fact, the court comes to the same conclusion as in its first decision in 2006: The differences in the word signs of the conflicting bunnies suffice to avoid likelihood of confusion. It will be interesting to see whether the claimant will file a further appeal with the Federal Supreme Court, for the third time.

8. German Federal Patent Court: “S-Bahn” is descriptive (decision of March 14, 2012 – Case 26 W (pat) 21/11 – S-Bahn/City Train)

Reported by Dr. Philippe Kutschke

The Federal Patent Court confirmed a decision of the German Patent and Trademark Office in large parts, stating that the designation “S-Bahn” was descriptive for a broad variety of goods and services in classes 16, 25, 28 and 39, and thus cancelled the German trademark “S-Bahn”.

Deutsche Bahn AG is the owner of German trademark no. 399 080 40 “S-Bahn” (word mark), registered in 2002, covering a vast compilation of goods and services in classes 16, 25, 28, 39, *inter alia* stationary, printed matter, clothing, games and transportation. In respect of certain goods and services, upon request of the trademark owner, the list of goods and services of the trademark had been restricted. A grouping of German communities filed a cancellation request against the remaining goods and services, arguing that the trademark was not distinctive, had been descriptive at the time of registration, or at least became descriptive later and also misleading in respect of certain goods or services.

The Deutsche Bahn AG opposed and argued that “S-Bahn” was distinctive and not descriptive or misleading. In the alternative, Deutsche Bahn argued that “S-Bahn” had acquired distinctiveness (secondary meaning) through use and presented various documents demonstrating extensive use together with two market surveys, one conducted in 2001, the other in 2009. The market survey of 2001 demonstrated that 91% of all interviewees were familiar with the designation “S-Bahn”, but only 43% believed that the term referred to a specific company. According to the market survey 2009, 57.3% of consumers using public transport, 51.9% of

consumers potentially using public transport and 48% of all interviewees associated “S-Bahn” with Deutsche Bahn AG (all figures without deduction of the margin of error, see below). The German Patent and Trademark Office cancelled the trademark in respect of all goods and services. By contrast, the Federal Patent Court found that in respect of “paper or cardboard, teaching material (except apparatus) in terms of globes and plotters for wall charts” in class 16 and “tennis rackets, skaters and ice skaters” in class 28, none of the aforementioned reasons for cancellation were present.

In respect of all other goods and services, the designation “S-Bahn” was descriptive regardless of its positioning on the products, packaging or labels. This was clear from the extensive descriptive use of the term, *inter alia*, in dictionaries and legislation. The material provided by Deutsche Bahn AG did not prove acquired distinctiveness (secondary meaning) through use. Also, the results of the market surveys did not convince the Federal Patent Court that “S-Bahn” would be perceived as an indication of origin. The figures of the market surveys did not suffice, because the term “S-Bahn” was clearly descriptive and, thus, acquired distinctiveness would have required that a clear majority of the interviewees had confirmed perception of the contested sign “as a trademark”, *i.e.*, as a sign indicating the origin of the goods/services concerned. In the present case, in particular when deducting the general margin of error in the amount of 3.3%, the figures fell short of the minimum level of 50% in the relevant fields of trade. Interestingly, the Federal Patent Court found that the relevant fields of trade included all consumers, *i.e.* not only consumers (potentially) using public transport, because “all

consumers” were deemed to be confronted with the designation “S-Bahn” in the context of omnipresent discussions in politics, business and media regarding “public transport”. Given that

the Federal Patent Court found that “S-Bahn” has to be cancelled for being descriptive, it did not have to decide whether any other grounds for cancellation were also applicable.

Remarks

Companies active in the field of public transportation will be relieved about this decision, because now it seems to be rather unlikely that they will be sued by the Deutsche Bahn AG for using “S-Bahn” in connection with local traffic. The Deutsche Bahn AG also had filed a corresponding Community Trademark Application in 2008; however, it withdrew the same during the application proceedings. It is unknown whether the OHIM raised doubts regarding registrability of the sign, which however appears to be likely.

The present decision is of particular interest because it concerns a trademark of a state-

owned company in the field of a former state monopoly, namely public transport. However, due to the results of the market surveys, the Court did not see any reasons to decide on the impact of such monopoly, which would have been interesting, particularly in light of earlier decisions of the Federal Patent Court (of the same senate) and the Federal Supreme Court regarding the trademark “POST” (word mark) owned by the Deutsche Post AG (see BARDEHLE PAGENBERG IP Report 2008/IV, 2009/III and 2010/V).

9. German Federal Supreme Court clarifies requirements for testing infringement of a Community design (decision of September 28, 2011 – Case I ZR 23/10 – Kinderwagen/Pram)

Reported by Dr. Henning Hartwig

Whether a Community design must be held infringed largely depends on (1) its scope of protection (to be assessed under Article 10 [2] CDR) and (2) whether the later design produces the same “overall impression” (to be decided under Article 10 [1] CDR). Both decisions must be taken separately from each other, according to a most recent landmark decision of the German Federal Supreme Court.

In a Community design infringement action decided by the Dusseldorf Appeal Court in the claimant’s favour, the Federal Supreme Court had to decide whether the appeal court’s test for infringement was proper. Interestingly, the defendant at no time challenged validity of the registered design but asserted more than half a dozen different prior designs to demonstrate that the design-in-suit was narrow in its scope of protection.

In assessing the scope of protection of a design, the degree of freedom of the designer in developing his design shall be taken into consideration, pursuant to Article 10 (2) CDR. According to the Federal Supreme Court, a low “density” of designs and, therefore, a wide degree of freedom of the designer will lead to a broad scope of protection, so that even larger differences in the designs may not result in a different overall impression. Therefore, the distance between the asserted design and each prior design is of utmost importance because this will determine the degree of freedom of the designer. Three sub-lessons can be drawn from the “Pram” decision, as regards the steps in this analysis:

1. Determining the features characterizing the overall impression of the asserted design

2. Comparing the overall impression of the asserted design with the overall impression of each prior design to determine the degree of similarity between both
3. Strictly avoiding comparing individual features of the asserted design with individual features of the prior design

If, as a result, the overall impression of the asserted design with the overall impression of each prior design is “clearly different”, as in the present case, the degree of the scope of protection of the design-in-suit must be considered to be large.

Turning to the second test whether the accused designs (models “Fit” and “Kiss”) fall within the – broad – scope of protection of the design-in-suit (pictured hereafter),



Henning Hartwig



Model “Fit”

Model “Kiss”



i.e., whether the later designs “do not produce on the informed user a different overall impres-

sion” (Article 10 [1] CDR), there are, again, three steps to be made:

1. Determining the overall impression of the asserted design
2. Determining the overall impression of the accused design
3. Examining and assessing whether the overall impression is different

As to the third step, the Court confirms that both similarities and differences of the designs,

i.e., features which are the same and features which are different, must be considered and evaluated (weight and scope). The Court also clarifies that features which keep a particular distance from the prior art do not have a specific weight.

In the case at hand, the Court confirmed the Appeal Court’s conclusion that the features dominating the overall impression of the asserted design are found “in almost identical form” in the infringing design.

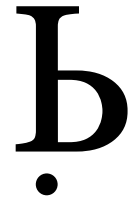
Remarks

“Pram” – in line with former case law (*cf.* BARDEHLE PAGENBERG IP Report 2011/V and 2010/V) – extends the test for infringement, establishing a clear two-step approach:

Assessing the scope of protection of a design includes a close – concrete – look at and thorough comparison with each design belonging to the existing design *corpus*, while judging whether a later design infringes that – abstract – scope of protection (in the sense of “broad”, “normal” or “narrow”) is limited to whether the overall impression of the asserted and accused design is different or not (without considering prior art at that second level). The only interplay is that, due to a broad scope of protection, “even larger differences in the designs may not result in a different overall impression”. However, ac-

ording to the Federal Supreme Court, whether similarities or differences can also be found in the prior art does not decide on whether the accused and the challenged design produce the same or different overall impression.

This appears to be different from, in particular, U.S. design patent law, pursuant to *Egyptian Goddess v Swisa*, 543 F.3d 665, 683 (Fed. Circ. 2008): “In the language used by the Supreme Court in *Gorham*, 81 U.S. at 528, we hold that the accused design could not reasonably be viewed as so similar to the claimed design that a purchaser familiar with the prior art would be deceived by the similarity between the claimed and accused designs, ‘inducing him to purchase one supposing it to be the other’.”



IMPRINT

The "BARDEHLE PAGENBERG IP Report"
is published by BARDEHLE PAGENBERG
Prinzregentenplatz 7, 81675 München
T +49.(0)89.928 05-0
F +49.(0)89.928 05-444
www.bardhle.com

Editors:

Dr. Henning Hartwig
Dr. Tilman Müller-Stoy

© 2012 BARDEHLE PAGENBERG

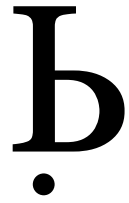
All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, mechanical, photocopying, recording or otherwise, without prior permission of the publishers.

Nothing in this publication constitutes legal advice.

BARDEHLE PAGENBERG assumes no responsibility for information contained in this publication or on the website www.bardhle.com and disclaims all liability with respect to such information.

IP Report 2012/II

Offices



München

Prinzregentenplatz 7
81675 München
T +49.(0)89.928 05-0
F +49.(0)89.928 05-444
info@bardehle.de

Dusseldorf

Breite Straße 27
40213 Dusseldorf
T +49.(0)211.478 13-0
F +49.(0)211.478 13-31
info@dus.bardehle.de

Paris

10 Boulevard Haussmann
75009 Paris
T +33.(0)1.53 05 15-00
F +33.(0)1.53 05 15-05
info@bardehle.fr

Barcelona

Avenida Diagonal 420, 1º 1ª
08037 Barcelona
T +34.93.4 57 61 94
F +34.93.4 57 62 05
info@bardehle.es

www.bardehle.com