

IP Report

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Patent Law

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1. ECJ puts an end to cross-border patent litigation

On 13 July 2006, the Court of Justice of the European Communities (ECJ) rendered two decisions ruling on the exclusive jurisdiction in proceedings concerned with the validity of patents and on the necessary connection for a common jurisdiction in case of an action against a plurality of defendants in various countries allegedly infringing a patent. The ECJ has put an end to the case law primarily developed by the courts in The Hague for some fifteen years liberally interpreting the law on jurisdiction in order to make litigation within Europe more efficient.

In the following only the results of the ECJ's decisions and some open questions are addressed. The judgments will certainly be analysed and scrutinised in detail in IP-Journals.

a) Case C-4/03 *Gat v LUK* on Interpretation of Art. 16 (4) of the Brussels Convention, corresponding to Art. 22 (4) of Council Regulation (EC) No 44/2001 Under Art. 16 (4) of the Brussels Conven-

tion, the courts of the state in which the patent has been granted have exclusive jurisdiction not only for invalidation *erga omnes* but also for invalidation *inter partes (incidenter)*. The first statement of the ECJ, applying to separate revocation proceedings, has never been contested, the second statement, applying to the defence of invalidity in pending infringement proceedings, is directly against the case law of the infringement courts in The Hague and in Düsseldorf where the referral came from. This means that, as soon as the defence of invalidity (“by way of plea of objection”) is raised, the rule of exclusive jurisdiction applies.

Furthermore, the ECJ ruled that *any* assertion of invalidity entails the lack of jurisdiction of the foreign court. The ECJ refrains from deriving any different conclusion from Art. 19 of the Brussels Convention (corresponding to Art. 25 of Regulation No 44/2001).

The ECJ ruling encompasses the action of non-infringement if the invalidity of the patent is alleged. Also invalidity asserted implicitly is intended to be included.



In summary, the judgment has the consequence that the infringement action or the action of non-infringement filed at a competent foreign court becomes inadmissible as soon as invalidity is asserted in whichever way, because of the exclusive jurisdiction of the courts of the state for which patent protection has been granted.

Even if invalidity is asserted on weak reasons, lack of jurisdiction may be expected to arise since the ECJ is reluctant in allowing abuse to be considered within the assessment of jurisdiction.

An open question is whether national procedural law is decisive for determining the time limit within which the inadmissibility of the action in pending cases should be raised (or should have been raised). The ECJ took the view “that the exclusive jurisdiction ... should apply ... at the time the case is brought or at a later stage in the proceedings” (Reasons, pt. 25). Might it happen that in infringement cases finally decided upon, recognition of the judgment will be refused on the basis of Art. 28 of the Brussels Convention (cf. Reasons, pt. 7)?

Although cross-border litigation has been excluded for many situations, the torpedo may still be alive. If the infringer succeeds in filing a declaratory action of non-infringement at a court outside the country for which the patent has been granted and if he contests only the infringement of the patent, e.g. by submitting that his use is outside the scope of the patent, but does not assert the invalidity of the patent, the new doctrine of the ECJ does not cover this situation. In *GAT v. Luk*, the ECJ has not stopped cross-border litigation unless the invalidity of the patent is at stake.

b) Case C-539/03, *Roche v Primus* on Interpretation of Art. 6 (1) of the Brussels Convention, corresponding to Art. 6 (1) of Regulation No 44/2001

The possibility of suing together several defendants, domiciled in various contracting states and infringing the different national parts of the same European bundle patent in the same way, on the basis of the forum of a plurality of defendants has been excluded.

Whether or not the defendants form part of one and the same group of companies, whether or not they are acting together on the basis of a common policy, or whether they perform the same infringing acts: all these criteria are no longer relevant! The “spider in the web” has had its day. Fair enough, the ECJ observes that already under its first judgment the forum of a number of defendants would become inapplicable if a foreign defendant asserted the invalidity of the patent.

If those who are bound to rely on an efficiently working judiciary in enforcing their patents in a common market growing together more and more want to discover a positive aspect in the ECJ’s decisions, it may be the hope that they deteriorate the present situation to an extent that more far reaching solutions become unavoidable, in particular the creation of a common European patent court as envisaged by the Draft European Patent Litigation Agreement (EPLA). If the judgments happen to give the final push to long lasting initiatives in this direction, the ECJ’s wisdom is to be praised.

Reported by Dr. Rudolf Teschemacher and Dr. Dieter Stauder

2. Commission Hearing on Patent Agenda and User Survey of July 12, 2006

On July 12, 2006, the European Commission held a hearing on its user survey and questionnaire which was attended by 350 representatives from all fields. About 40 had been granted a slot for an oral contribution in addition to the written answers which had been submitted to the Commission.

The meeting was chaired by Ms. Jacqueline Minor, Director, Knowledge Based Economy and Mr. Thierry Stoll, Acting Director General of DG Internal Market.

Mr. Erik Nooteboom, Head of Unit IP Internal Market, presented the results of the survey which had been published by the Commission a few weeks before. The summary, also as far as it concerned the answers on EPLA (European Patent Litigation Agreement), was remarkably objective. The Commission admitted that



industry, patent attorneys and attorneys favor EPLA which is not regarded as incompatible with the Community Patent. In particular they favored a decentralized court system in the first instance.

The interventions, as far as their involvement in the patent system and membership of organization are concerned were nearly unanimous on the most important points:

a) The quality of the European Patent Office and its granting procedure was highlighted by a great number of speakers who requested at the same time not to touch the present structure. This was in particular true for speakers who represented primarily research orientated members (ProTon, Fraunhofer). Also government delegations expressed their support for the EPO and called it an Office for which the rest of the world envies Europe.

b) The Community Patent had missed its goals, in particular since the so-called Common Political Approach had been made the guideline of the project. Users also asked the Commission not to try to revise the present CP proposal, but to wait for the first experience with the EPLA Court and then make a new approach. The CP was described as a project which has lost sight of the needs of the users. Only one national delegation, namely France supported the Common Political Approach without however giving any arguments why it was supported. This opinion caused general surprise, since it went entirely contrary to the unanimous view of French industry represented by MEDEF.

c) The EPLA was applauded by all industry speakers and representatives of the patent and the legal profession. A number of speakers made express reference to the "Venice Resolution" of the highest judges in Europe of October last year who had expressed their support for EPLA. Several speakers from industry emphasized that five years have been lost because of the blocking situation between the Community Patent and EPLA and that one should take immediate initiatives to bring EPLA into practice. (Thomson, Nokia, Volvo, Bosch, Qualcomm, Merck).

The wishes of the users have been summarized by the Commission¹ as follows

Both industry and patent attorneys seem to favour the Community's involvement in the European Patent Litigation Agreement (EPLA). This preference follows from the general opinion that the existing patent system based on the EPO and the EPC works well and outstanding problems relate to the lack of unitary jurisdiction. Some also believe that it could act as a precursor for the Community Patent and its jurisdictional system. Support for EPLA is not presented as incompatible with support for the Community Patent, except for the response peculiar to the German patent attorneys' community who express uncontested support for EPLA only. They also favour a decentralised regime which would preserve the current status of highly specialised German first instance patent courts, with a centralised jurisdiction further up the litigation process.

Although there is widespread support among industry for Community involvement in the EPLA initiative, there does not seem to be consensus on the exact details of the system and there are obvious disparities among stakeholders when it comes to the character of the EPLA court (e.g. degree of centralisation, nature of the local first instance courts). However, although stakeholders mostly called for a centralised jurisdiction during the first attempts to introduce a Community Patent, this tendency is now reversed with big and small industry alike insisting on a local first instance specialised courts in order to preserve proximity and accessibility of justice, with a centralised Community and/or EPLA appeal court in order to guarantee uniform interpretation of the law.

The result of the Hearing was that the overwhelming majority of NGO's and governments supported the EPLA and made it clear that they do not wish even to continue the discussion on the Community Patent, although a number of them expressed their agreement that the decentralized EPLA courts with their common court of appeals should eventually act as future courts within a litigation system for the Community Patent, once a new draft has been prepared.

¹The preliminary results of the survey can be downloaded at a Commission website http://ec.europa.eu/internal_market/indprop/patent/hearing_en.htm.



Other proposals like mutual recognition of search or examination results were rejected, in particular by the major users of the EPO (Volvo, Bosch, Qualcomm). A number of delegations mentioned the cost question for an EPLA court system which so far has not been decided.

This author who represented the International Bar Association (IBA) at the Hearing summarized the wishes of the users as follows:

Users would like to see

(1) A concentration of efforts on the implementation of EPLA within the shortest time possible;

(2) A positive mood of cooperation of the Commission in the final stage of EPLA on the basis of the existing EPLA draft; the Commission should sit at the table with the national delegations and discuss with them the final text;

(3) A continuation of consultation of users for the whole remaining period of the EPLA Working Party;

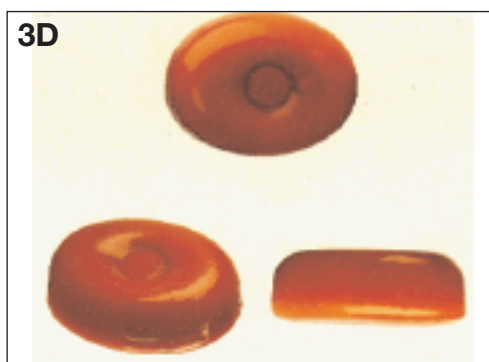
(4) The preparation of a new Community Patent System on the experience with EPLA - in order to avoid further delays after its implementation - in order to use this experience of the first years of EPLA for the Community Patent.

Commissioner McCreevy warned that there may be practical and legal difficulties ahead: "You should be aware that there are some institutional hurdles to be tackled if the Community is to become involved in the EPLA initiative. Furthermore, stakeholders differ on the degree of centralization or the nature of the local first instance courts." He announced that the Commission will announce its plans in the autumn.

Reported by Dr. Jochen Pagenberg

3. European Court of Justice confirms criteria for determining the distinctive character of three-dimensional marks consisting of the shape of products and of figurative marks consisting of the representation of the packaging of a product and for determining distinctiveness acquired on the basis of use; Judgments of the Court (First Chamber) of 22 June 2006 in Cases C-24/05 P and C-25/05 P, August Storck KG v. OHIM (Shape of a caramel; Shape of a caramel wrapper)

August Storck KG, producers of (among others) the widely appreciated (and well-known) WERTHER'S ORIGINAL caramel sweets, sought to register two marks as Community trade marks, one consisting of the 3D shape of the caramel itself, the other of a 2D figurative mark showing the gold-coloured wrapper of the sweet. The marks were the following (in the ECJ judgments they are reproduced only in black and white):



The applications were refused by OHIM for lack of distinctive character, and a claim of acquired distinctiveness (Article 7 (3) CTMR) failed. The Board of Appeal confirmed, and an action against OHIM before the Court of First Instance was unsuccessful (Decisions of the CFI of 10 November 2004 in Cases T-396/02 and T-402/02).



The ECJ dismissed the further appeals in two decisions taken the same day (22 June 2006) with almost identical content. The claim that the CFI had applied an erroneous standard in determining that the 3D mark lacked distinctiveness was rejected as unfounded. The proper standard is the following (para. 26 of the judgment):

In those circumstances, only a mark which departs significantly from the norm or customs of the sector and thereby fulfils its essential function of indicating origin is not devoid of any distinctive character for the purposes of Article 7(1)(b) of Regulation No 40/94 (see, in particular, *Henkel v OHIM*, paragraph 39, *Mag Instrument v OHIM*, paragraph 31, and *Deutsche SiSi-Werke v OHIM*, paragraph 31).

The Court emphasises that the proper standard is “significant departure” from the norm or custom, and not “marked difference”, but confirms that the CFI did apply the proper standard. The challenge that the OHIM violated the right of defence (the obligation to base its decisions only on grounds on which the parties had a possibility of comment) and the obligation of OHIM to make the necessary findings of fact on its own motion (Articles 73 and 74 CTMR) was dismissed as inadmissible because not properly raised in the CFI proceedings.

The claim relating to Article 7 (3) CTMR was also dismissed because the ECJ held that the CFI had applied the proper rules and principles. It is useful to highlight the approach of the ECJ by quoting from the decision:

70 As regards the third part of that ground of appeal, it must be noted that, if a mark does not *ab initio* have distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94, Article 7(3) provides that it may acquire such character in relation to the goods or services claimed as a result of its use. Such distinctive character may be acquired, *inter alia*, after the normal process of familiarising the relevant public has taken place (Case C-104/01 *Libertel* [2003] ECR I-3793, paragraph 67, and *Mag Instrument v OHIM*, paragraph 47).

71 It follows that in order to assess whether a mark has acquired distinctive character through use all the circumstances in which the relevant public may see that mark must be borne in mind.

That means not only when the decision to purchase is made but also before that point, for example as a result of advertising, and when the product is consumed.

72 None the less, it is when making his choice between different products in the category concerned that the average consumer exhibits the highest level of attention (see, to that effect, Case C-361/04 P *Ruiz-Picasso and Others v OHIM* [2006] ECR I-0000, paragraph 41), so that the question whether or not the average consumer sees the mark at the time of purchase is of particular importance for determining whether the mark has acquired distinctive character through use.

Of more than passing importance is the statement that not only the point-of-sale situation is relevant, but also pre-sale (or post-sale) confrontation with the product in order to determine whether a sign has acquired distinctiveness. These statements appear relevant also for other constellations, such as for the question at which point in time the issue of infringement must be judged (pre- and post-sale confusion).

As regards the 2D mark, the judgment contains a number of additional statements of general significance. First of all, the ECJ confirms what has been the practice of OHIM and the CFI with regard to 2D marks consisting of a true-to-life rendering of a product or its packaging, namely that the 2D mark is to be judged according to the same criteria as a 3D mark would be judged:

29 That case-law, which was developed in relation to three-dimensional trade marks consisting of the appearance of the product itself, also applies where, as in the present case, the trade mark applied for is a figurative mark consisting of the two-dimensional representation of that product. In such a case, the mark likewise does not consist of a sign unrelated to the appearance of the products it covers.

Secondly, as regards the claim of acquired distinctiveness, the ECJ confirms the approach that the acquisition of distinctiveness must be shown where it is lacking (rather than in only one part of the Community or in all member states), and that the notion of demonstrating acquired distinctiveness in all member states is not the proper standard, although in some cases the member-state-criterion may be



appropriate (such as when the descriptive character in a single language is at issue):

83 It follows that a mark can be registered under Article 7(3) of Regulation No 40/94 only if evidence is provided that it has acquired, through the use which has been made of it, distinctive character in the part of the Community in which it did not, *ab initio*, have such character for the purposes of Article 7(1)(b). The part of the Community referred to in Article 7(2) may be comprised of a single Member State.

84 Contrary to the appellant's analysis, Article 142a of Regulation No 40/94, in the version resulting from the Act of Accession, supports the latter interpretation.

85 As they found it necessary to introduce an express provision to the effect that registration of a Community trade mark which is under application at the date of accession may not be refused on the basis of any of the absolute grounds for refusal listed in Article 7(1) of Regulation No 40/94, if these grounds became applicable merely because of the accession of a new Member State, the authors of the Act of Accession considered that, if that provision did not exist, such an application would have had to have been refused if the mark was devoid of any distinctive character in one of the new Member States.

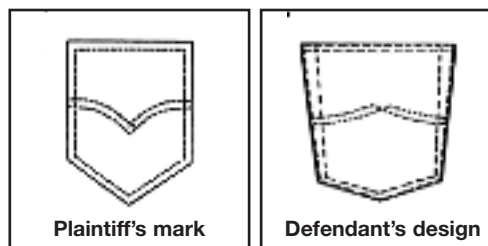
86 Since, in paragraphs 85 to 87 of the judgment under appeal, following an assessment of the facts and evidence, the Court of First Instance found, first, that the mark applied for was devoid of any distinctive character, *ab initio*, in all of the Member States of the Community and, second, that the appellant did not establish that that mark was the subject of advertising campaigns in certain Member States during the reference period, it rightly found that the figures provided in relation to the advertising costs incurred by the appellant did not provide proof that the mark had acquired distinctive character as a result of the use which had been made of it.

The two decisions reflect the current state of the law on the protection of 3D marks consisting of the shape of a product or of its packaging.

Reported by Dr. Alexander v. Mühlendahl, J.D., LL.M.

4. European Court of Justice: The relevant point in time for determining whether the use of a sign in the course of trade constitutes trademark infringement is the time when the use that is sought to be prohibited began; Judgment of the Court (Third Chamber) of 27 April 2006 in Case C-145/05, Levi Strauss & Co. v. Casucci SpA

Levi Strauss & Co., proprietor of registered Benelux trademark showing a particular design ("Seagull Design") of a back pocket of trousers (jeans) sued Casucci, who was using a somewhat similar design, for trademark infringement. The two designs are as follows:



The allegedly infringing use began in 1997, the court action was initiated in March 1998, and the issue that became decisive for the Belgian courts was whether the "Seagull Design", which had been highly distinctive originally, had lost its correspondingly greater scope of protection because by the time the judgment was to be rendered many other similar designs had appeared on the market (including that of the defendant).

The Belgian Supreme Court (Cour de cassation) referred the following questions to the ECJ:

'(1) For the purposes of determining the scope of protection of a trade mark which has been lawfully acquired on the basis of its distinctive character, in accordance with Article 5(1) of Directive 89/104, must the court take into account the perception of the public concerned at the time when use was commenced of the mark or similar sign which allegedly infringes the trade mark?

(2) If not, may the court take into account the perception of the public concerned at any time after the commencement of the use complained of? Is the court entitled in particular to take into account the perception of the public concerned at the time it delivers the ruling?



(3) Where, in application of the criterion referred to in the first question, the court finds that the trade mark has been infringed, is it entitled, as a general rule, to order cessation of the infringing use of the sign?

(4) Can the position be different if the claimant's trade mark has lost its distinctive character wholly or in part after commencement of the unlawful use, but solely where that loss is due wholly or in part to an act or omission by the proprietor of that trade mark?'

The ECJ answered as follows:

1. Article 5(1) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks must be interpreted as meaning that, in order to determine the scope of protection of a trade mark which has been lawfully acquired on the basis of its distinctive character, the national court must take into account the perception of the public concerned at the time when the sign, the use of which infringes that trade mark, began to be used.

2. Where the competent national court finds that the sign in question constituted an infringement of the mark at the time when the sign began to be used, it is for that court to take such measures as prove to be the most appropriate in the light of the circumstances of the case in order to safeguard the proprietor's rights deriving from Article 5(1) of Directive 89/104; such measures may include, in particular, an order to cease use of that sign.

3. It is not appropriate to order cessation of the use of the sign in question if it has been established that the trade mark has lost its distinctive character, in consequence of acts or inactivity of the proprietor, so that it has become a common name within the meaning of Article 12(2) of Directive 89/104, and the trade mark has therefore been revoked.

The answers appear rather straightforward, they do however raise a number of questions, in particular the first answer.

In general, in most national legal systems a difference is made between the various sanctions that are involved when

trademark infringements are pursued by civil actions.

Injunctive relief is the most commonly requested relief, and in order for that relief to be granted, it would seem logical that the conditions necessary for finding trademark infringement exist at the time of the decision (in Germany at the time of the last oral hearing in the first, or in case of an appeal, in the second instance). Changes in the factual setting between the time when the infringement began and the time of the decision affect the outcome in favour of the plaintiff if it should happen that his mark has become more distinctive since the allegedly infringing use began, or to the detriment of the plaintiff if the mark has lost some of its distinctiveness before the decision is taken, such as through third-party use of identical or similar signs that the plaintiff is not attacking or has not attacked.

When damage claims are made, the situation from the start of the infringement until the time of the decision is taken into account, unless the claim for past infringements is barred by a statute of limitations (in Germany, for example, 3 years).

For other (mainly ancillary) relief such as destruction of infringing articles etc., the relevant point in time would appear to be the same as for the damage claim.

According to the ECJ it seems to be now mandatory that the relevant point in time for all of the types of relief in civil infringement actions should be the time when the infringement began. This may seem "equitable" or correct when the loss of distinctive character is the result of the defendant's infringing use, the situation referred to by the ECJ in para. 18 of the judgment (*"If the likelihood of confusion were assessed at a time after the sign in question began to be used, the user of that sign might take undue advantage of his own unlawful behaviour by alleging that the product had become less renowned, a matter for which he himself was responsible or to which he himself contributed."*).

But the ECJ does not seem to consider other situations leading to a loss of a previously very large scope of protection, nor does the judgment take into account the reverse situation where, at the time the



allegedly infringing use began, the earlier mark was not yet particularly distinctive, but that status was achieved before the plaintiff sought to enjoin any further use of the conflicting sign.

It seems to me, therefore, that either the national courts will continue to apply their rules as before and take into account the Levi Strauss judgment as far as injunctive relief is concerned only when it is the defendant's use that has led to a loss of distinctiveness, or they will make, as it is suggested here, a distinction between the various remedies.

The other answers appear less critical. Injunctive relief is the "standard" remedy in cases of infringement of intellectual property rights. In most legal systems, the granting of injunctive relief is mandatory unless the defendant discontinues the infringing use and there is no likelihood that he will resume it. For example, in Germany this requires that the defendant gives an express undertaking not to continue to infringe which includes a penalty clause. In legal systems where injunctive relief is subject to the principles of equity, it may well be that the mandatory nature of such relief is less obvious. The ECJ in its second answer leaves the appropriate remedy to counter-act trade-mark infringement to the national courts.

The third answer deals with the loss of trademark rights through "degeneration", i.e. through the development of a mark into the common name of a product or service. This is expressly provided for by Article 9 of the Trade Mark Directive. The answer seems to place the "loss of distinctive character" and the "development to the common name" at the same level. This is, however, not correct. A trademark once registered cannot be cancelled (or reduced to "0" in its scope of protection) when it was distinctive at the time of registration but has subsequently lost its distinctiveness. These situations arise, for example, when a mark was registered on the basis of acquired distinctiveness (Article 3 (3) of the Directive), but through lack of sufficient use now is no longer distinctive, or when a mark was registered properly, but later became descriptive of a characteristic of a product or service without however becoming the "common name".

Reported by Dr. Alexander v. Mühlendahl,
J.D., LL.M.

5. Federal Supreme Court decides on registrability of two and three-dimensional marks in conflict over rotary shavers, "Philips vs Rayovac (formerly Remington)" I ZB 9/04, I ZB12/04, I ZB 13/04)

The German Federal Supreme Court has recently issued three decisions in revocation proceedings against the three-dimensional and two-dimensional trademarks of Philips the subject matter of which is the representation of rotary shavers. In its first decision concerning a German device mark registered in 1980, it confirmed case law of the German Trademark Act in force until January 1, 1995, stating that a trademark or get-up showing the subject matter of the goods themselves was, as a rule, excluded from trademark protection. This obstacle to protection could also not be overcome by showing a secondary meaning. In addition, a request for cancellation based on non-protectability was also not bound by any time restraints. In the two other decisions, the German Federal Supreme Court confirmed the decision of the German Federal Patent Court in relation to the technicality of certain features in the marks of Philips.



The first decision concerned a device mark of Philips showing the top view of a rotary shaver, a mark which was registered in 1980 based on acquired distinctiveness by secondary meaning. The appeal on the point of law was directed against a decision of the German Federal Patent Court who had determined that a trademark owner could rely on the good faith in the German trademark register, i.e. objections in relation to the registrability of a mark per se could not be successfully raised any more after a certain period of time, specifically not in relation to a mark which was registered based on a secondary meaning amongst consumers.



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The German Federal Supreme Court held that, according to the former German Trademark Act in force until 1995, a trademark or get-up showing the subject matter of the goods themselves was, as a principle, excluded from trademark protection. Trademark protection was not to be granted to such signs according to the case law of the Reichsgericht (Imperial Court) and the Bundesgerichtshof (Federal Supreme Court), since they are not fit to serve as an indication of origin and because the acknowledgement of trademark protection for such features constituting the subject matter of the goods themselves would be tantamount to blocking the market for third parties, thereby contravening the purpose of the trademark law.

This lack of protectability could also not be overcome by claiming that a sign, whose subject matter are the goods themselves, had acquired a secondary meaning amongst consumers. A product get-up which constitutes the subject matter of the goods themselves could not acquire a secondary meaning. Trademark protection was hence to be denied, as a principle, also to a product get-up which was purely technically predetermined.

The German Federal Patent Court also erred in holding that the trademark owner could rely on the good faith of the German trademark register. Specifically, the fact that the trademark at issue had been on the register for more than ten years was not relevant. The request for cancellation was also not bound by any time restraints, and the ten-year period within which a request could be filed was not applicable in case of Art. 3 Sec. 2 of the German Trademark Act which corresponds to Art. 1 of the former German Trademark Act. Such being the case, the decision was lifted and remanded back to the German Federal Supreme Court.

In the further decisions relating to the rotary shaver marks of Philips, the Federal German Supreme Court confirmed the position of the German Federal Patent Court that an international registration whose subject matter was a three-dimensional mark could be revoked according to Art. 3 Sec. 2 No. 2 of the German Trademark Act which complies with Art. 6 ^{quinquies} B of the Paris Convention. In those decisions, the German Federal

Supreme Court argued that Sec. 3 Para. 2 of the German Trademark Act belonged to the grounds for revoking trademark protection of international registrations as set forth in Art. 6 ^{quinquies} B sentence 1 Nos. 1 - 3 of the Paris Convention in the light of the fact that the German Trademark Act was based on the European Trademark Directive which was, in turn, identical with the Paris Convention as far as the grounds for the revocation were concerned.

The German Federal Supreme Court also confirmed the Patent Court's decision that the arrangement of three rotating shaver-heads in an equilateral triangle as well as the circular slots for pulling in the hairs for shaving were technically predetermined, even if there were other configurations of the same technical result, thereby confirming the case law of the ECJ. With regard to the other features of the depiction of the rotary shavers at hand, namely the triangular rounded-off support plate and the clover-leaf shape, the German Federal Supreme Court required additional proof that these were exclusively technically predetermined. This was to be clarified in a further oral hearing by the German Federal Patent Court.

Rayovac, (- formerly Remington), a company of Spectrum Brands Group of companies was represented in the above proceedings by attorneys at law of BARDEHLE PAGENBERG, Munich.

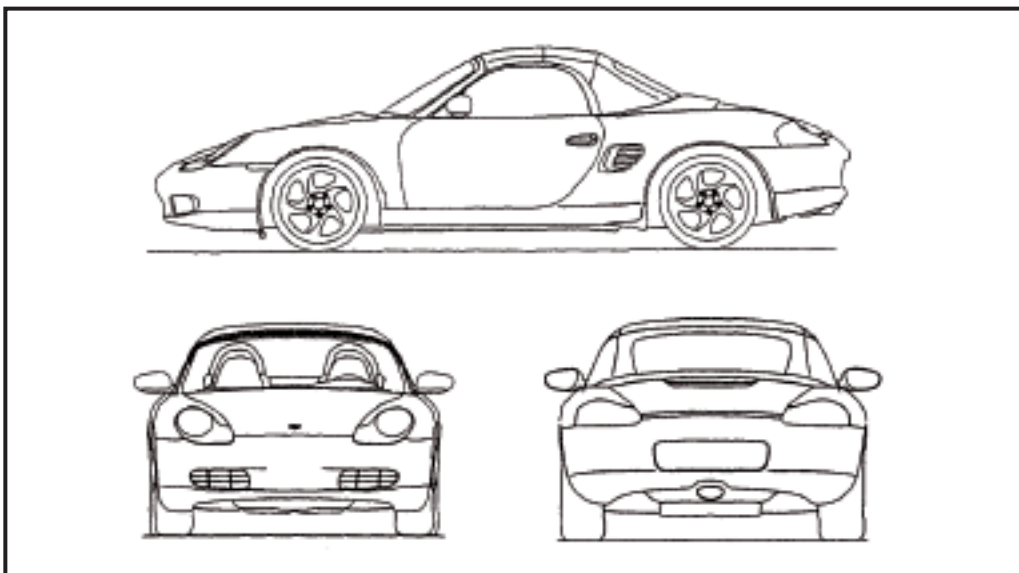
Reported by Claus M. Eckhartt



6. German Federal Supreme Court holds that car designs usually acquire distinctiveness by use as trademarks shortly after the introduction of the new car model (“Porsche Boxster” – I ZB 33/04).

A three-dimensional trademark representing the shape of the goods “cars” is excluded from registration as descriptive on the grounds of an eminent interest of the general public in keeping the car design available to others. A car design will acquire distinctiveness by use as a trademark within a short period after introduction to the market if it is sold in a considerable volume, as a matter of general experience.

Following an appeal on the law filed by the applicant of the three-dimensional trademark depicted below,



consisting exclusively of the shape which is necessary to achieve a technical result.

The finding of the Federal Patent Court, that the trademark could not be registered because of the importance of keeping the variety of design elements available for use by other participants of the trade, was upheld by the Federal Supreme Court. The availability of the design elements must not be limited by the possibility of filing a multitude of trademark applications and to thereby reduce the availability of design elements for competitors, at least for the limited period of time during which use of the trademark is not required, i.e. the first five years from registration.

In the specific circumstances of the case, the Federal Supreme Court found reasons to grant protection to the shape of the

the German Federal Supreme Court had to decide whether the shape of the car is excluded from registration as a trademark because of an eminent interest of the public in keeping the variety of shapes available for use by the participants of the trade, whilst distinctiveness of use was not shown as the period from introduction of the model to filing of the application was only nine to ten months.

The Court overruled the decision of the German Federal Patent Court. The findings include that the shape of goods is protectable as a trademark in the abstract, because the shape is not that of an “ideal” car, but shows a multitude of specific design elements. The mark is also not excluded from registration as a sign

Porsche Boxster car under the aspect of distinctiveness acquired by use which is a ground to overcome the aforesaid absolute grounds for refusal.

It is interesting to note that the Federal Supreme Court says it is general experience that new car shapes are very soon after their introduction recognized by the interested consumers as to point to a certain car manufacturer. Apparently, the Federal Supreme Court does not interpret this phenomenon as an indicator of inherent distinctiveness, but as an indicator of acquired distinctiveness which is to be assumed at least for frequently sold car models in Germany.

Reported by Peter J. A. Munzinger



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7. Federal Supreme Court on work title protection of computer software – “SmartKey” (I ZR 109/03)

In the decision “SmartKey” of April 27, 2006, the German Federal Supreme Court corroborated the basic principle that a designation under which a computer program is put into circulation qualifies for work title protection (I ZR 109/03). Furthermore, the Court held that the title “SmartKey” was sufficiently distinctive for computer software with which certain templates and macros can be created and administered. However, the title owner did not prevail against the defendant who sells software and card readers under the name “KOBIL Smart Key” for the administration of keys for electronic signatures and encryption.

The Court held that there was no risk of confusion between the two designations for software “SmartKey” and “KOBIL Smart Key”. According to the Court, the goods – while both used for computer software – were rather dissimilar because of a different designated use. Furthermore, there was a small degree of similarity between the two software names because the name “KOBIL Smart Key” was dominated by the element “KOBIL” only. In this respect, the element “Smart Key” was – in the Court’s opinion – merely descriptive for software and hardware used by the defendant. Against this background, the Court clearly differentiated between the title “SmartKey” for computer software creating templates and macros (distinctive) and the same designation for computer software administering keys for electronic signatures and encryption (descriptive).

Reported by Florian Traub

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