

BUSINESS BRIEF: GERMANY

Patents

How do you register or secure patent rights, and is national or international coverage most appropriate?

A patent can be obtained via a German, a European or an International (PCT) patent application. In any case, the application will undergo substantive examination before grant. Maximum patent duration is 20 years from filing subject to annual maintenance fee payment. Utility models (undergoing formalities examination only) provide shorter-term protection (maximum 10 years).

A national patent application is preferable where Germany is the only focus. Otherwise, the other two options soon become economically more attractive compared to national filings. Strategic considerations, eg, in view of deviations between German and European examination, may play a role.

What are the costs for registering the patent and what are the costs of defending it?

The average cost for obtaining a patent is €7,000 via the national route and €10,000 via the European or the PCT route.

Patents can be attacked through opposition proceedings initiated within a short period after grant or, later, at any time through an invalidation suit with the Federal Patent Court. Average costs up to a first instance opposition decision range from €15,000 to €50,000.

In invalidation cases, the losing party has to reimburse the winning party up to a statutory amount (depending on the patent's commercial value set by the court). Typically, the cost risk of first instance invalidity proceedings ranges from €40,000 to €250,000.

Where can you find information on existing patents in your jurisdiction?

German and the European patent registers are available online. Anyone may request physical file inspection.

Is there anything unusual about the patent law that companies should be aware of?

What are the most common mistakes businesses make?

A civil court handling a litigation case cannot decide on the validity of the patent. Hence, the defendant has to file an invalidation suit before the Federal Patent Court. The civil court may stay the proceedings up to the invalidation suit's decision. Proper strategic timing of actions is essential here.

What are the key threats to patent owners, and what is the best strategy if you suspect someone is infringing your patent?

While German civil patent litigation courts provide fast, foreseeable and typically patentee-friendly decisions at comparatively low costs, the key threat is invalidation of the patent which is possible, eg, on the basis of new prior art, at any time.

Patent enforcement strategy depends on the specific case. Enforcement tools range from sending warning letters or cease and desist letters to requesting customs action or preliminary injunctions or filing litigation suits of various scope.

Have there been any changes to the patent law(s) in the last 12 months?

There have not been any changes to the national patent law in the last 12 months.

Trademarks

How do you register or secure trademark rights, and what protection does it grant?

National trademarks can be registered at the German Patent and Trade Mark Office (DPMA), initially for 10 years. Any mark used to distinguish goods/services in trade and capable of being represented graphically is registrable. Identity or similarity with older marks is only examined upon opposition.

Symbols that are used in trade in Germany and become well-known as a distinctive mark of a particular enterprise are protected without registration.

Besides national registration, trademark rights in Germany can be secured by applying for a European Community trademark (CTM) with the Office for Harmonization in the Internal Market (OHIM) or an international trademark with the World Intellectual Property Organisation (WIPO).

A trademark gives the owner the exclusive right to use the mark and to prevent others from using a sign similar or identical to it for the same or similar goods or services. The owner can also prevent the registration of third parties.

What are the costs for registering a trademark, and what are the costs of defending it?

The official application fee for a national trademark including three classes amounts to €300 (€100 extra per an additional class; €200 extra for an accelerated examination). A European CTM application costs €900 (for three classes). For defending a trademark, in most cases the enlistment of a professional representative is inevitable. The costs are based upon the expenditure of time and vary from case to case. Office and court fees also vary.

What are the key threats to trademark owners, and what is the best strategy for dealing with infringement?

The key threat to trademark owners is the unauthorised use of the trademark, and online infringements especially are increasing. Usually the first action against an infringer is a cease and desist letter in which further measures, especially court proceedings, are reserved.

What are the most common mistakes trademark owners make?

A common mistake is not to use the trademark as registered. A registered mark must be genuinely used in Germany for the goods and services registered within five years from the registration to avoid cancellation. A trademark owner also needs to protect the mark and act against potential infringers to maintain the full value of the trademark.

Have there been any changes to the trademarks law(s) in the last 12 months?

There haven't been changes to the national trademarks law in the last 12 months. The latest version of the German Trademark Law was amended in November 2011.

Copyright

What are the key challenges to copyright holders in your jurisdiction?

Copyright comprises a bundle of rights coming into existence when the protected work has been created by operation of the law. International treaties (Berne Convention, WCT, TRIPS, etc) afford the mutual recognition of foreign copyrights by granting the same protection as a German resident would have under the German Copyright Act. Some aspects of German copyright law are harmonised EU law (eg, that for computer programs). Germany protects the moral rights of authors.

How should people ensure they are protected against copyright infringement?

Basically, copyright protection exists for any kind of manmade work, ie, it covers artistic works of any kind from novels, paintings, music, to dancing performances or movies (collective works), but also computer programs, drawings, applied design, speeches, photographs, always provided that the individual work is an individual mental creation that distinguishes itself sufficiently when being compared to prior art.

The creativity threshold is normally not very high, except for applied art where, according to precedent, it must overtop the average in the field. The reason is that (registered) design protection is available below the higher threshold.

What is the best way to deal with infringement, and what are the costs associated with it?

Important remedies are cease and desist claims, claims for damages, rendering of account, and destruction. The German peculiarity of widespread

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use of *ex parte* injunctive relief with cease and desist orders also play an important role in copyright.

Counterfeiting

How big a problem is counterfeiting in your jurisdiction?

As Germany is Europe's largest national market, counterfeiting is a big issue. In 2011 the European customs seized counterfeit products worth around €1.3 billion. Germany has a strict law and well-established court practice against counterfeiting, not only to protect the economy and especially consumers, but also to avoid the loss of significant tax revenues.

What industries are particularly at threat?

Since Internet sales prosper, basically every sector of the economy is affected by counterfeiting. Top categories of articles stopped by customs were medicines, packaging material, cigarettes and products for daily use, such as clothes and cosmetics.

What are the best strategies for dealing with the problem?

To prevent counterfeiting protection technologies, such as holograms and security labels, can be used initially. To detect counterfeiting it is essential to observe the relevant market, for example by controlling fairs and Internet sales platforms. Legally, preliminary injunction proceedings and customs applications for border measure proceedings under the EU Customs Regulation or German IP law are most effective and guarantee a wide protection. As a result trade in the counterfeit products in the national market is prevented and the destruction of these goods is enabled.

General

Are there any legislative changes to the IP regime that would make life easier for businesses?

The political process to establish a European Unitary Patent and the corresponding Unified Patent Court seem about to become finalised in 2013/2014. The grant of the first UP is expected for 2014. Germany is expected to establish three to four courts of first instance. A division competent for mechanical engineering-related cases of the court of appeal is to be established in Munich.

The German copyright law has been amended to grant an ancillary copyright for press publishers. According to the new regulations news made available by news aggregators and web search engines induce fees in favour of the press publishers. So-called 'snippets' shall not be covered. The fees would be collected by a central clearinghouse. ■

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