

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 (Patent Cooperation Treaty) application. In any of these cases, the application will undergo substantive examination before grant. The maximum patent duration is 20 years from filing, subject to an annual maintenance fee. Utility models, which undergo formality examination only, provide shorter-term protection of up to ten years.

A national patent application is preferable where Germany is the focus; otherwise, the other two options become more attractive. Strategic considerations, for example differences between German and European processes, may also play a role.

What are the costs of obtaining a patent, and what are the costs of defending it?

The average cost for obtaining a German patent is €7,000 (\$7,600) via the national route and €10,000 via the European or 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 (Bundespatentgericht). 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 with 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 European patent registers are

available online. Anyone may request physical file inspection.

Is there anything unusual about the patent law(s) that companies should be aware of, and what are the most common mistakes businesses make?

A civil court handling a litigation case is not competent to decide the validity of a patent. Due to bifurcation, a defendant has to file an invalidation suit before the Federal Patent Court. The civil court may stay the proceedings until the invalidation decision. Proper strategic timing of actions is essential.

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 relatively patentee-friendly decisions, the key threat is patent invalidation—which is possible, for example, 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 to requesting customs action or preliminary injunctions, or filing litigation suits.

Trademarks

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

National trademarks can be registered at the German Patent and Trade Mark Office (DPMA). Protection for Germany can also be secured by applying for a Community trademark (CTM) with the Office for Harmonization in the Internal Market or an international trademark with the World Intellectual Property Organization.

Parties can register any mark used to distinguish goods/services in trade that can be represented graphically.

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 registrations by third parties.

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

The official application fee for a national trademark application including three classes goes up to €290 (e-filing). It costs an extra €100 per additional class, and €200 more for accelerated examination. A CTM application costs €900 (e-filing for three classes). The costs of defending a trademark are based upon the expenditure of time and vary from case to case.

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, especially as counterfeiting and online infringements are still increasing.

After gathering evidence to prove infringement, usually the first action against an infringer is a cease-and-desist letter, in which further measures, especially court proceedings, are mentioned.

What are the most common mistakes trademark owners make?

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

“AS GERMANY IS EUROPE’S LARGEST NATIONAL MARKET, COUNTERFEITING IS A BIG ISSUE. IN 2013, GERMAN CUSTOMS SEIZED COUNTERFEIT PRODUCTS WORTH AROUND €1.34 BILLION.”

Are there any nuances in the trademark law(s) that foreign companies should be aware of?

Besides the common defence of insufficient use of earlier trademarks for more than five years before the younger mark is published, German trademark law offers a second plea of insufficient use, which can be raised simultaneously.

Counterfeiting

How big a problem is counterfeiting in your jurisdiction?

As Germany is Europe’s largest national market, counterfeiting is a big issue. In 2013, German customs seized counterfeit products worth around €1.34 billion. Germany has a strict law and well-established court practice against counterfeiting.

What industries are particularly at threat?

Since internet sales are thriving, nearly every sector of the economy is affected. The top categories of articles detained by customs are medicines, packaging material, cigarettes and products for daily use, such as clothes and cosmetics.

What are the best strategies for dealing with the problem?

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 internet sales platforms. Legally, preliminary injunction proceedings and customs applications for border measures proceedings are most effective.

How can public-private partnerships to tackle counterfeiting be improved?

Cooperation with German customs, the police and the public prosecutor works very well. Close and direct communication is necessary and always possible.

Copyright

How should people ensure they are protected against copyright infringement?

Copyright protection exists for any kind of manmade work, and covers artistic works of any kind from novels and paintings or movies (collective works) and computer programs, provided the individual work is a human’s mental creation.

The creativity threshold is normally not very high, except for applied art, where—as a general rule—technically imposed features are disregarded.

What is the best way to deal with infringement?

Important remedies are cease-and-desist claims, claims for damages, rendering of account and destruction. The widespread use in Germany of *ex parte* injunctive relief comprising an order to

cease and desist also has an important place in copyright.

First instance copyright cases are not likely to recover more than a five-digit amount.

General

Are there any other IP developments we should know about?

The political process to establish a European unitary patent and the corresponding Unified Patent Court is due to be finalised in 2016/2017. So far, the existing German national infringement proceedings continue to prove their quality by being the venue of choice for foreign plaintiffs. The opposition period for German patents has been extended from three to nine months. ■

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