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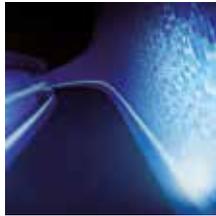
*Erik Schäfer, Ulrike Alice Ulrich and Reinhard Fischer*

# Yearbook 2016/2017

A global guide for practitioners

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# Germany

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## Legal framework

### National law

The following are enforceable in Germany: German trademarks, Community trademarks (CTMs), German trademarks based on international registrations, names and non-registered trade designations.

German trademarks are governed by the Trademark Act, which implements the EU Trademark Directive (89/104/EEC) and the Regulation on Trademark-Related Administrative Proceedings.

CTMs are governed by the EU Community Trademark Regulation (207/2009) and the Community Trademark Implementing Regulation (2868/95).

International registrations that extend to Germany are governed by the Madrid Protocol and the Trademark Act.

Names and non-registered commercial designations are governed by the Civil Code and the Trademark Act.

### International treaties

Germany has also acceded to several multilateral and bilateral international

treaties, such as the Paris Convention for the Protection of Industrial Property, the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks and the Agreement on Trade-Related Aspects of Intellectual Property Rights (see [www.wipo.int/wipolex/en/](http://www.wipo.int/wipolex/en/) and [www.dpma.de/english/index.html](http://www.dpma.de/english/index.html)).

### Unregistered trademarks

Commercial designations are protected against newer identical or confusingly similar trade designations once they are first used in Germany, but details of this protection can be complex (eg, the protection may be locally restricted and there may be coexistence in the case of natural persons with the same name).

Unregistered trademarks and other commercial designations (eg, business symbols) are protected against newer identical or confusingly similar trademarks and commercial designations only from the date on which they acquire a sufficient degree of public recognition in the specific German market. The required minimum threshold

is determined on a case-by-case basis. If the sign is distinctive, a degree of recognition from between 20% and 25% of relevant consumers is sufficient to pass the threshold test. However, if the sign is descriptive or not distinctive for other reasons, it must also have acquired distinctiveness through use in Germany. Accordingly, the threshold for this is set at 50%. Unregistered trademarks used only outside Germany to the required substantial degree may be afforded protection in accordance with Article *6bis* of the Paris Convention only if the mark is well known. This will usually require between 60% and 70% recognition. These requirements must be proved by opinion polls conducted in accordance with requirements established by precedent.

### Registered trademarks

Any natural or legal person may apply for and own a trademark.

While representation is not necessary before the German Patent and Trademark Office (DPMA) or the Federal Patent Court – which has jurisdiction over certain trademark matters (although not infringement cases) – applicants or owners with no domicile, seat or commercial establishment in Germany must appoint a German representative. German attorneys at law and German patent attorneys must be duly empowered, although no power of attorney need be submitted to the DPMA or the Patent Court. Other representatives must submit a power of attorney in writing (either in German, or the original with a German translation). No notarisation is required. However, foreign applicants and owners may need to comply with their local formal requirements.

Registration may be applied for a mark that consists of any sign capable of being represented graphically – particularly words, numbers, graphical devices and three-dimensional shapes. Other signs are capable of registration to the extent that they can be graphically represented (eg, colour combinations), sound sequences and scents).

The graphically represented sign must be capable of distinguishing the goods or services of one undertaking from those of other undertakings in a legal manner. Signs are not eligible for registration if they:

- are devoid of any distinctive character;
- are descriptive;
- are used by competitors to describe their goods and services;
- consist exclusively of the shape which results from the nature of the goods as such, are necessary to obtain a technical result or give substantial value to the goods;
- are contrary to public policy or accepted principles of morality;
- could potentially deceive the public – for example, in regard to the nature, quality or geographical origin of the goods or services;
- consist of legally protected signs and have not been authorised by the competent authorities; or
- have been applied for in bad faith.

However, the grounds mentioned under the first to third points above may be overcome by acquiring around 50% distinctiveness.

### Procedures

The DPMA will examine the trademark application with regard to formalities (eg, correct classification of goods and/or services and full payment of the application fees) and absolute grounds for refusal. Any deficiency will be raised by the DPMA in an official action granting the applicant at least one month in which to reply. These periods are extendable on request. This decision may in turn be appealed within one month of notification, by either an administrative appeal to the DPMA or a direct full appeal to the Patent Court, depending on the status of the person at the DPMA who first issued the decision. A decision of a DPMA appeal division may be appealed to the Patent Court. Decisions of the court may, on rare occasions, be appealed to the Federal Court. Publication and registration of a trademark occur when the DPMA has issued the allowance (without any official action, this is likely to be completed between three and six months from the application, although can vary greatly). The trademark has effect with regard to third parties from the date on which it is recorded in the Trademark Register, which is also the date from which the five-



## Generally, opposition proceedings are documentary proceedings with no oral hearing. A typical case will involve one or two rounds of short submissions

year grace period is calculated within which the trademark must be put to genuine use, unless an opposition is filed. In the case of an opposition, the start date is deferred to the date on which a final decision is reached on the opposition.

An opposition may be filed three months after a trademark registration is published, provided that the corresponding fees are also paid. The rights on which the opposition is based and its scope must be clearly indicated.

A separate opposition must be filed for each right on the basis of which the newer mark is opposed. Generally, opposition proceedings are documentary proceedings with no oral hearing. A typical case will involve one or two rounds of short submissions. Currently it can take at least a year for the first decision in opposition proceedings before the DPMA.

An opposition may be based on older German trademarks and CTMs, international trademarks in force in Germany and trade designations which are protected in Germany. It is also possible to base an opposition on older trademark applications.

An admissible opposition that is based on older rights will succeed if the newer mark or the goods and services claimed in its specification are identical or (confusingly) similar to the older right on which the opposition is based. This includes a danger of association with the older mark. Basically, the scope of protection afforded to older well-known, famous or notorious trademarks will be broader.

If the mark must be used, the owner of the opposed newer mark may contest genuine use. In such a case the opponent must establish genuine use during the

preceding five-year period to the satisfaction of the DPMA in written proceedings. An important difference in comparison with CTM opposition proceedings is that the relevant usage period rolls forward (ie, genuine use must have taken place when the newer mark was applied for and continue until the date on which the final decision is made), unless non-use is exceptionally excused.

An opposition can also be based on the grounds that the opposed trademark was registered in the name of an agent or other representative of the (normally foreign) trademark owner.

If and to the extent that an opposition succeeds, the opposed trademark will be expunged from the register once the ruling is final and binding.

Any owner may relinquish its trademark completely or with regard to certain goods and/or services by filing a corresponding written request with the DPMA at any time.

A trademark that is not put to genuine use within five years of the date of registration or, as the case may be, the final decision in opposition proceedings is deemed invalid. However, as long as maintenance fees are paid, the mark will continue to exist on the public records, because no declaration or evidence of use is required. If a trademark must be genuinely used, any third party may file a request for revocation at any time. If the owner does not object to this within two months, the mark will be revoked. In case of an opposition, the third party is informed and may then file a revocation action based on non-use with the exclusively competent German regional court. If the owner has commenced genuine use before the revocation request is filed,

the trademark will not be revoked even if it had not been used for more than five years. However, use that commences less than three months before the cancellation request after the owner became aware of its potential filing will not be considered.

Any party may file a request for revocation, and the trademark may be cancelled, if:

- the trademark has become the common name in the trade for the goods or services in respect of which it is registered as a



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Erik Schäfer is a partner at COHAUSZ & FLORACK, a Düsseldorf firm specialising in IP and technology law. He graduated from the University of Freiburg in 1983 and qualified for the bar in 1987. Mr Schäfer's main areas of practice are intellectual property, arbitration matters with a technical flavour (especially intellectual property and information technology) and commercial law. Since 1994 he has acted as both counsel and arbitrator in domestic and international arbitration proceedings and court cases. The subject matter of these disputes has included software projects, engineering and construction, oil exploration and development, IP licences, outsourcing, purchase, distribution and R&D agreements, service and marketing contracts, shareholder and IP purchase agreements, e-payment clearance, trademark disputes, unfair competition, commercial secrets and patent vindication. Mr Schäfer is fluent in English, Spanish, French and German. He has chaired several taskforces of the International Chamber of Commerce Commission on Arbitration, as well as the Austrian-German section of the European Court of Arbitration.



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Ulrike Alice Ulrich has been with COHAUSZ & FLORACK since 1999 and became a partner in 2002. She taught trademark law at Heinrich-Heine-University in Düsseldorf between 2000 and 2007. Since starting her career as an attorney in 1996, Ms Ulrich has worked comprehensively and exclusively in IP law and related fields, specialising in matters relating to trademark law and other signs, unfair competition law and design rights. She represents national and international companies, focusing on the enforcement of trademark rights and their defence, the evaluation of business activities pertaining to the rules of competition, the assessment of the registrability of trademarks and support in application procedures worldwide, questions concerning trademark strategy and their implementation in the competitive market and the management of large trademark portfolios.

consequence of acts or the inactivity of the owner; or

- use made of the mark is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.



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Reinhard Fischer joined COHAUSZ & FLORACK in 2014 after working for another law firm since 2005. He specialises mainly in IP and IT law, as well as in unfair competition law. Dr Fischer's areas of practice cover the drafting, examination and negotiation of IP and IT agreements, particularly licence agreements, IP purchase agreements, R&D agreements, software agreements and confidentiality agreements. Further, he has participated in several M&A projects and conducted due diligence as a legal adviser for IP and IT matters. In 2008 Dr Fischer received his PhD from Cologne University, with a thesis comparing contracts for the international sale of goods law to non-uniform German contract law.

Further, any party may file a request for revocation if the owner is not fulfilling its legal requirements.

The trademark may also be revoked and cancelled due to the existence of absolute grounds for refusal if the obstacle to protection still exists at the time that the decision on the application for cancellation is made and cancellation is requested within 10 years of the registration date. In respect of an enumerated number of grounds, a trademark may be cancelled *ex officio* if the procedure is commenced during the first two years after the registration date and the registration manifestly contravenes a finite number of provisions.

These grounds may apply only to some of the goods and services for which the trademark is registered, in which case the cancellation will concern only that part of the trademark.

As an alternative to opposition proceedings, the owner of older rights may file at any time a request for cancellation based on an older trademark or trade designation in force in Germany. However, even if the other requirements are met, the registration may not be cancelled if the owner of the older mark has knowingly tolerated the use of the newer mark for the goods or services in respect of which it is registered for a period of five consecutive years – unless the newer mark was obtained in bad faith or the owner of the older right previously consented to registration and use. Further, cancellation is not possible if the older mark could have been cancelled on the date of publication of registration of the younger trademark.

Cancellation requests based on original or subsequent absolute grounds for refusal, lack of standing to own a trademark and lack of genuine use may be filed with the DPMA.

An action for cancellation for revocation or because of the existence of earlier rights (only by the owner of such rights) may also be commenced before the competent higher regional court.

The trademark may be renewed 10 years after the application filing for some or all of the goods and services for which it is registered by payment of the applicable maintenance fee. All renewals and deletions will be recorded in the register, which may be accessed online at [www.register.dpma.de](http://www.register.dpma.de).



## There may be a nexus between trademark infringement and the German Unfair Trade Practices Act. This legal area is mapped out by many precedents and is highly complex

### Enforcement

Civil infringement proceedings may be based on a conflict with older rights. Typically, infringement claims will first be asserted against the infringer by sending a warning letter that requests it to cease and desist with a contractual penalty clause. Unless the infringer gives such an undertaking, the action requesting an order to cease and desist will remain admissible.

The rights holder may seek an interlocutory injunction from the competent regional higher court (the competence of specific chambers is concentrated on the state level in a few courts in each state) if the matter is urgent. The petitioner must request injunctive relief soon after learning about the infringement (this period is not legally defined, although it is generally agreed to be within four weeks). Unless the infringer acknowledges the court order as final and binding, the petitioner will have to institute normal infringement proceedings.

The following remedies are available in civil infringement proceedings:

- claims to cease and desist, which do not depend on the infringement being culpable;
- claims for actual damages (which may be demonstrated via three alternative methods:
  - licence analogy;
  - actual damages suffered by the rights holder; and
  - profits made by the infringer which are attributable to the infringement, or unjust enrichment;
- claims for destruction and recall, or permanent removal from sale, unless this would be disproportionate;
- claims for information concerning the

origin and sales channels of unlawfully marked goods or services (in special cases, these claims may also exist against certain third parties);

- claims that the infringer submit or allow access to banking, financial or commercial documents where these are required for the assertion of the compensation claim, unless this would be disproportionate. The court has the power to guarantee confidentiality protection;
- information claims, which under certain circumstances may be granted through an *ex parte* interlocutory injunction; and
- claims for the publication of the final judgment.

Reasonable attorneys' fees and court fees are awarded, depending on the extent to which a party prevails.

Wilful trademark infringement is a criminal act and may be punished. The local public prosecutor's office is empowered by the Federal Act of Criminal Procedure to commence proceedings on its own initiative or upon receiving a complaint. The possibility of the rights holder influencing the investigation, including the speed at which it is conducted, are limited.

The seizure and eventual destruction of imported counterfeit goods in Germany is possible under German and EU regulations, in regard to which detailed information is available from the German Customs Office at [www.zoll.de/english\\_version/d0\\_protection\\_property/a0\\_trademark/index.html](http://www.zoll.de/english_version/d0_protection_property/a0_trademark/index.html).

### Ownership changes and rights transfers

A change of ownership with regard to a German trademark takes place outside the

register through the operation of law (eg, legal succession) or on the basis of an agreement (eg, assignment). While it is not mandatory to record such a change in the register, this is highly recommended in order to ensure that rights can be enforced without delay. The validity and the form of such a change of ownership depend on the applicable law. With regard to a registered trademark as such, there are no formal requirements. A German representative who is a German attorney at law or patent attorney may request the recordal of a change of ownership in the register without submitting a copy or original of the underlying legal instrument. In all other cases documentary proof must be submitted.

Trademark licences are also granted outside of the register. A licensee may itself start infringement proceedings only with the consent of the licensor/owner of the licensed right. There is no statutory requirement to register a licence.

Commercial designations and names are regarded as being inextricably associated with the relevant business operation or company (eg, goodwill) and may not be transferred without the business operation as such or licensed to another company. The related legal issues are complex.

### Related rights

A trademark that is an individual and sufficiently original creative work may also be protected by copyright. This not only applies to device marks, but on rare occasions may also include slogans that meet a high standard of originality.

Further, there may be a nexus between trademark infringement and the German

Unfair Trade Practices Act. This legal area is mapped out by many precedents and is highly complex. Enforcement resembles trademark infringement matters to a certain extent, but claims differ substantially.

### Online issues

The top-level country-code '.de' is governed by DENIC eG. A dispute concerning a '.de' domain name may be registered with DENIC in order to prevent its transfer. Disputes must be resolved amicably or, if this is not possible, in court. A substantial body of trademark case law applies to cyberspace, just as it does to the offline world. For example, a domain name that is similar or identical to a registered trademark also requires use for identical or similar goods or services in order for a trademark-based claim to succeed. Cases of famous marks or bad-faith domain name registration may be different. Bearing this in mind, precedents have established that metatags can be infringing. AdWord usage, on the other hand, will not normally constitute infringement unless the displayed advertisement contains something that is infringing. **WTR**

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Examination/registration		
Representative requires a power of attorney when filing? Legalised/notarised?	Examination for relative grounds for refusal based on earlier rights?	Non-traditional marks registrable?
No (if attorney at law or patent attorney) 	No 	If graphically representable in prescribed format and no absolute ground of refusal.

Unregistered rights		Opposition
Protection for unregistered rights?	Specific/increased protection for well-known marks?	Opposition procedure available? Term from publication?
Yes 	Yes 	Yes: three months from publication. 

Removal from register		
Can a registration be removed for non-use? Term and start date?	Are proceedings available to remove a mark that has become generic?	Are proceedings available to remove a mark that was incorrectly registered?
Yes: following five years' non-use from later of registration or end of opposition. 	Yes 	Yes 

Enforcement		
Specialist IP/trademark court?	Punitive damages available?	Interim injunctions available? Time limit?
Yes 	No 	Yes: urgency required. 

Ownership changes	Online issues	
Mandatory registration for assignment/licensing documents?	National anti-cybersquatting provisions?	National alternative dispute resolution policy (DRP) for local ccTLD available?
No 	No special provisions; however, general provisions apply. 	No 