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Dear Readers of our Update,

With our Summer/Autumn-Update we would like to inform you of refreshing, recent decisions and also explain the more and more hot topic Unitary Patent and Unified Patent Court System. We are updating you with respect to the Unitary Patent and provide you with strategic links that will help you when deciding for or against an opt-out of your European patents and applications.

Due to the explosiveness of the "Unified Patent Court System", our respective article can be found at the very beginning of our Update. We would like to emphasize the very short three-months "Sunrise Period". A safe opt-out of your European patents and applications is possible only within this very short grace period. Within the later and longer seven-year deadline for opting out, you will run the danger that an opt-out is no longer possible when an invalidity action is brought before the Unified Patent Court. Due to this and other contemplations, we recommend an opt-out of European patents and patent applications within the Sunrise Period.

We provide you with an insight into the German Employee Inventor's Act based on a decision of the Higher Regional Court (OLG) Munich. In this case, the OLG decided on the deadline for paying an appropriate remuneration to a graduand. The Court determined that the point in time when the employer learns of the invention is essential. A further decision by the OLG based in Düsseldorf clarifies to what extent a patent owner must accept his own statements which he made in an opposition proceeding or invalidity proceeding against himself in case of an infringement proceeding.

The competitive specific character of a travel alarm clock was decided on in a refreshing decision, which was in the end denied by the Court.

Furthermore, we offer further interesting articles reaching from Adidas to beer to trademark use.

We wish you a pleasant read and are happy to assist you in case of any questions regarding the mentioned topics.

Best regards

Vanessa Bockhorni
(Patent Attorney)



Thorsten Brüntjen
(Patent Attorney)

Important strategic contemplations for owners of European patents

The soon enforcement of the Unitary Patent and the Unified Patent Court (UPC) is just around the corner. This was not necessarily expected. The United Kingdom has meanwhile, on April 26, 2018, ratified the Agreement on the Unified Patent Court (UPCA), despite the intention of the United Kingdom to leave the European Union (see "B. Brexit" below).

That means that currently, the remaining and only obstacle for the enforcement of the Unitary Patent and the Unified Patent Court is the pending constitutional complaint of a private person against the implementing legislation regarding the UPC Agreement in Germany, the result of which will, however, only have an effect on the timeline of the enforcement – this is what the majority assumes. The Unitary Patent System will come, probably at the beginning of next year.

It is now high time for owners of European patents to deal with the question of the so-called "Opt-Out" (see in particular A.III. below).

First of all it should be said that pending European patents, i.e. granted classic European patents that are in force, and pending patent applications automatically fall within the new judicial system if the opt-out from the judicial system is not carried out within a deadline of seven years. The whole thing is exacerbated by the fact that opting out of a classic European patent will no longer be possible when an action, for instance a nullity action, is brought before the Unified Patent Court. A security against that arises only when the classic European patent is opted out within the so-called "Sunrise Period".

A. Strategies in the new patent system

I. Preface

Currently, inventions can be protected through (a) a national patent or (b) a classic European batch patent. **In future**, it will additionally be possible to claim protection for an invention through (c) the Unitary Patent. This patent unfolds a unified effect for a total of 26 EU member states¹ (see green/yellow marked states in the map below). The validation in those 26 states will then no longer be necessary and the payment of national renewal fees for those countries will be replaced by a unified fee.

II. Status quo towards the two-part judicial system

1. Current judicial system

The present legal enforcement of both (a) the national patent as well as (b) the classic Euro-

pean patent takes place on a national level before a national infringement court. Particularly in case of big companies – which usually claim protection in many countries – this can lead to several parallel infringement actions in every single country where there is a patent protection and where an infringement takes place. In case of small and medium-sized companies, the number of countries in which an action is raised against an infringer is normally much lower, as either an infringement takes place in only one or two market-relevant countries, or the European patent is validated in only two to four countries, often core countries², or a national court decision is for example already sufficient in order to conclude an out-of-court settlement having a supranational effect.

The arguments of invalidity which are regularly mentioned in the counter-attack are either to be submitted as objections in the infringement proceedings or to be brought before the nation

al invalidity courts as invalidity actions, e.g. in Germany before the Federal Patent Court.

2. New two-part judicial system in Europe

In future, the Unified Patent Court System will make it possible to enforce patents in Europe or to declare them invalid either still before national courts or before the Unified Patent Court as the new international common court of 25³ EU member states:

(a) In case of national patents, the responsibility will continue to remain with the national courts in the new judicial system, too.

(b) In contrast, in case of European patents, it will be possible to raise an infringement action of the patent or file an action for invalidity of the patent either before the "national courts" or before the "Unified Patent Court".

(c) The Unitary Patent will only be subordinated to the Unified Patent Court.

III. Contemplations of the patent owner BEFORE the enforcement of the UPCA

As already mentioned at the beginning, pending European patents and patent applications will automatically fall into the new judicial system, provided no opt-out from the judicial system is carried out within seven years. An **opt-out** of the classic European patent is no longer possible as soon as an action has been brought before the Unified Patent Court. A protection of that only arises when the classic European patent is opted out during the "**Sunrise Period**".

The **Sunrise Period** starts three months before the day the Unified Patent Court starts its activities and ends when the Unified Patent Court has taken up those activities. Therefore, the Sunrise Period is quite short so that principally, a decision should be made already now as to whether a European patent should be subject to the jurisdiction of the Unified Patent Court or not.

Every patent owner should therefore make strategic contemplations soon and before the enforcement of the UPC agreement with respect to every European patent and every patent application in the portfolio and make a decision if national courts should continue to decide on the legal validity and/or an infringement or the Unified Patent Court.

1. Contemplations from a procedural point of view:

An advantage of the Unitary Patent System is the enforcement of the Unitary Patent and/or the European patent with only one action before one court, with the decision, in case of a successful outcome of the action for the patent owner, unfolding an effect for all participating EU member states. However, the probably biggest disadvantage of the Unified Patent Court System also comes along, namely the risk that the Unitary Patent or the European patent is partly or completely revoked in all 25 EU member states or in all of the designated participating countries by only one, though a two-levelled, proceeding.

→ That means that in the Unified Patent Court System, the advantage of the Europe-wide enforcement of a patent is opposed to the disadvantage of the central invalidation of the patent by one single decision of the Unified Patent Court.

The decision if a European patent or patent application is opted-out or placed within the Unitary Patent System should be made based on several factors. First of all, the danger of the central invalidation should be weighed with respect to the strength and relevance of the patent for the company. Particularly at the beginning of the judicial system, uncertainties in the process flows and an unforeseeable, inconsistent jurisdiction will prevail.

It should also be born in mind that in case of a patent infringement, an interim injunction is often the first resort means in order to immediately stop an infringement. If a national Court

issues an interim injunction in favor of the patent owner, the latter will regularly have the better cards for further negotiations on the settlement of parallel infringement disputes in other countries. At the beginning, the national courts will have more experience in the issuance of interim injunctions than the Unified Patent Court, so that at the beginning, the Court might be less open regarding their issuance and will surely need more time for making a decision. In case of the national jurisdiction, a patent owner also has the advantage that even in case of a rejecting decision on the request for issuance of an interim injunction, it will remain open how the decision will be in other jurisdictions.

- Due to the many unpredictabilities, we recommend to wait at least for the implementing phase and initial development phase of the new system and first of all to **opt out** classic European patents and patent applications in particular in case validation took place in only a small number of countries, for instance in only two to four countries of the participating member states, something that we consider as the regular case. After the opt-out, a central invalidity action of the European patent is no longer possible.
- In case European patents and patent applications are not opted out, we recommend to think about a parallel national protection via a patent or utility model in at least the economically most significant countries. In Germany, for instance, branching-off a utility model from a pending application or a patent in the opposition proceeding is possible without further ado.

2. Contemplations from a cost perspective

The classic European patent must be validated in each of the designated member states after the decision of grant. As validation costs, e.g. costs for translations and representation, vary depending on the number of validation coun-

tries and validation requirements of the individual countries, it can be expensive for any applicant who intends to achieve a preferably broad protection in Europe by covering many countries. Therefore, many companies validate their patent predominantly in the core countries Germany, France, Great Britain, Italy, Spain and the Netherlands.

The Unitary Patent can therefore be a low-cost option compared with the classic European Patent when looking at the EU countries which participate the agreement. In particular, the renewal fees will be relatively favorable within the first ten years.

- The decision between the classic patent and the Unitary Patent should be made depending on the number of validation countries and the costs to be expected. The Unitary Patent will possibly be worthwhile only in case of more than three countries. It should be taken into account that a combination of the two, i.e. of the Unitary Patent and the European patent, can be relevant, too, when a patent protection in a non-EU-member state, i.e. Switzerland or Turkey, or in the non-participating EU-member states is sought.

3. Summary

We recommend any rights owner to deal intensively with the topic "opt out". In the early stages of the new system, we recommend to opt out European patents and patent applications.

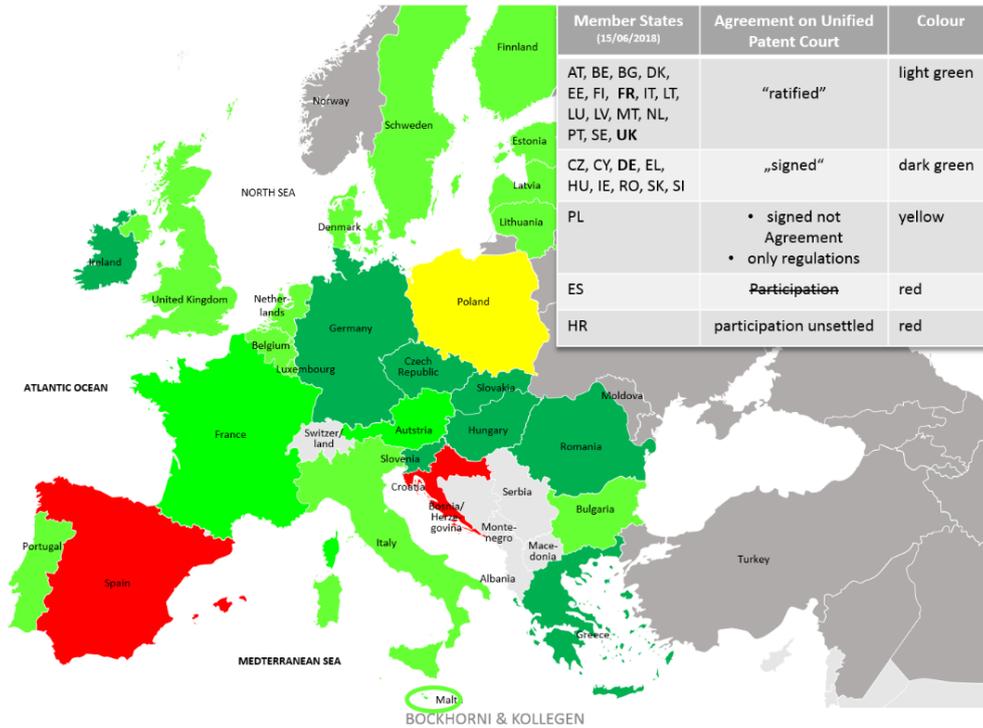
B. Brexit

The question whether the United Kingdom will participate the Unitary Patent System despite the Brexit is a political decision which must be made by the EU, the remaining member states and the United Kingdom. From a legal point of view, it is possible.

Should the UK's withdrawal from the EU become legally effective, two regulations of the

Unitary Patent System will lose their effect. However, it can be assumed that corresponding

solutions will be found so that the Unitary Patent still grants patent protection in the United Kingdom.



03/07/2018
BOCKHORN & KOLLEGEN

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Further information on the Unitary Patent and the judicial system can be found in our previous Updates:

- "European Unitary Patent and Unified Patent Court – Update "Spring 2018"
- "Hard Brexit – progress of the Unitary patent" – Update "Spring 2017"
- "Unitary Patent and Unified Patent Court" – Update "Autumn 2015"
- "The Unitary Patent and the Unified Patent Court in Europe" – Update "Spring 2014"

¹ all EU member states except for Spain and Croatia

² EPO statistics 2017: Germany, France, Great Britain, Italy, Spain and the Netherlands

³ all EU member states except for Spain, Poland and Croatia

BBiotech(Hons) Vanessa Bockhorni (Patent Attorney)

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Preliminary remuneration of an employee inventor before grant of the patent in accordance with the German Law on Employee's Inventions

From a global point of view, the Federal Republic of Germany has a clearly structured Law on Employee's Inventions (ArbEG), and it is mandatory that its relevant provisions are adhered to. Despite the fact that this law is already quite old, it still leads to new decisions and judgments in case of certain problems.

One of that is the question regarding the time when the remuneration must be paid to the inventor according to the ArbEG. This is regulated in § 9, par. 1 of the ArbEG, i.e. the employer is obliged to pay an appropriate remuneration to the inventor upon claiming the invention. In this connection, the appropriate remuneration must, however, only be paid from the time when the invention is used and in some cases it is only paid after the patent has been granted as only then, novelty and inventive quality of the invention is fixed.

However, according to the general legal interpretation, the payment of the appropriate remuneration should always be handled such that the remuneration is due from the first use of the invention, i.e. also before the patent is granted and in the end independent of the grant of the patent. Remunerations which were paid to the inventor already in advance, cannot be reclaimed by the employer afterwards.

The decision discussed here dealt with the questions if the claim for remuneration already exists for uses by the employer from the point in time when knowledge of the inventive subject-matter is gained, even though the invention has not yet been announced by the employee.

According to the jurisdiction of the Federal Supreme Court, in order to calculate the claim for remuneration, periods of use before the time of the claims can be relevant, i.e. from the point of view according to which the inventor must be entitled to take share of all economic advantages from which the employer benefits due to the invention (Federal Supreme Court, GRUR

2003/789 – decision “Abwasserbehandlung” (*treatment of waste water*)).

In the present case, the Higher Regional Court Munich had to decide on a claim for remuneration. In this case, the announcement of invention was made by the inventor only years after the use of the invention was taken up by the inventor, i.e. before the inventor announced the invention to the employer.

The starting point was a diploma thesis of the plaintiff (i.e. as the former employee) in the year 2007 regarding the development and production of aircraft components. In this connection, the contract with the graduand regulated that inventions must be announced immediately and will then be handled as employee inventions within the meaning of the ArbEG.

What was furthermore regulated was that the graduand entitled the company (the defendant) to the exclusive and complete right to use the researches and findings made in the diploma thesis for the company.

The diploma thesis was completed in March 2009 and was not published.

Only in September 2011, i.e. three years later, the plaintiff announced the invention to the defendant, whereupon in August 2012, the defendant filed a patent application with the German Patent and Trademark Office. In this connection, the defendant (graduand) was designated as the sole inventor.

The patent application was rejected by the GPTO in September 2015 and the defendant then filed an appeal. The plaintiff (graduand) filed a lawsuit during the appeal proceeding and requested information, rendering of account and payment of an appropriate remuneration.

The action was successful in the first instance with regard to the time frame from December 2012 (expiration of the deadline for

claiming by the defendant/employer, respectively).

With the appeal, the plaintiff also pursued the information obligation for the time frame from the completion of the diploma thesis and corresponding knowledge of the diploma thesis by the defendant at the end of November 2007.

The Higher Regional Court Munich confirmed the jurisdiction of the Federal Supreme Court regarding the preliminary claim for remuneration starting with the use of the invention already before the patent was granted.

The Higher Regional Court Munich did not consider the risk that the patent would be refused due to the appeal proceeding as relevant for

the payment of the remuneration, except at most for the case that there was a particularly serious risk of refusal. This was, however, not the case in the present case.

Due to the fact that the defendant already gained knowledge of the invention in November 2007 due to a Power Point presentation, the preliminary actions of use had to be taken into consideration, as the invention was used by the defendant at least since the year 2010 within the production of the Airbus A350.

According to the Higher Regional Court Munich, these uses influenced the claim for appropriate remuneration, so that the information had to be extended to this time frame, too, i.e. also to December 2007. This does, of course, also apply to the payment of the remuneration.

Conclusion

When an employer knows an employee's invention, possibly already long before the invention is announced and when the invention has an influence on the following use, it already determines that a payment of an appropriate remuneration is due to be paid to the inventor before the actual announcement of the invention to the employer, namely already from the point in time when the knowledge is gained.

Higher Regional Court Munich
decision dated September 14, 2018
file no.: 6 U 38/16
Dipl.-Ing. Josef Bockhorni (Patent Attorney)

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To what extent does a patent owner have to accept those statements against himself in an infringement proceeding that he himself made in a validity proceeding?



The Higher Regional Court Düsseldorf, Germany, was concerned with a patent with the title "Smoking articles with reduced ignition proclivity characteristics". The case again revealed the special character of the German Patent System, in which the legal validity and the infringement are dealt with independently of one another.

In the yet quite recent German decision "Kreuzgestänge", it was the Federal Court of Justice itself which interpreted a term, which arose firstly in the validity proceeding and then in the infringement proceeding, in two different ways. Accordingly, the principle of the Federal Court of Justice from the year 2015 – BGH X ZR 103/13 – "Kreuzgestänge" reads as follows: The infringement court should interpret the disputed patent independently and is not bound to the interpretation made by the Federal Court of Justice in a patent invalidation proceeding regarding the disputed patent, neither legally nor de facto.

From the decision "Smoking articles with reduced ignition proclivity characteristics", it can now be seen that the patent owner, too, can, in a perfectly valid way, provide the same term with a narrow interpretation in the opposition

proceeding and a broad interpretation in the invalidity proceeding.

In the above-cited case, the European patent EP 1 482 815 was granted in the year 2009 and was maintained to a limited extent in 2014 after an opposition. The patent refers to a paper wrapping for a smoking article which equips the smoking article with reduced ignition proclivity characteristics, i.e. in case of danger, the smoking article extinguishes itself. Such cigarette wrappings are called "low ignition property paper". The paper wrapping has an essential impact on the smoldering characteristic of the cigarette as it regulates the amount of oxygen which reaches the smoldering tobacco charcoal in the cigarette. In the context of the prior art, the patent describes known solutions with the paper that wraps the cigarette having been treated with a film forming solution in order to reduce the permeability for oxygen so as to control the burning rate. During the production, the material which forms the thin film had to be applied in form of a "solution".

During the opposition proceeding, the patent owner stated that the term "solution" does not comprise a "suspension" in order to differentiate himself from the state of the art. In the infringement proceeding, however, the Higher Regional Court decided that the term "suspension" does indeed fall under the term "solution" according to the sense of the word in the average expert's opinion. Here, the results of an expert opinion therefore also formed the basis for the decision, independent of whether it agreed with the patentee's statements during prosecution.

The Higher Regional Court thus confirmed that the patent owner's statements made in the opposition or invalidity proceeding only have more than an indicative significance if

1. they limit the protection and were essential for the maintenance of the patent
2. they were made towards the same opponent.

Filing an infringement action against somebody, who was involved in the opposition or invalidity proceeding, and relying on a statement which limits the protective scope of an embodiment, is considered as unfaithful behavior. However, against somebody else, the patent can be enforced to its full extent.

In summary, the decision "Smoking articles with reduced ignition proclivity characteristics" confirms that the patent owner is bound by statements in the legal validity proceeding towards the same opponent only, and that undoubtedly, a causality between the limiting interpretation made by the patent owner regarding the respective feature in the patent claim and an associated renouncement of one or

more possible embodiments must be present. However, the patent owner should still be cautious in German proceedings regarding the statements he makes in the prosecution proceeding. In particular, the patent owner should avoid unambiguous explanations which might lateron limit the protective subject-matter with respect to possible infringement proceedings.

Higher Regional Court Düsseldorf, Germany
decision dated December 20, 2017
file no.: I-2 U 39/16
Dipl.-Phys. Thorsten Brüntjen (Patent Attorney)

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TRADEMARK LAW

Is the use of a trademark only in Germany sufficient for a legally relevant use of a community trademark in the European Union

As to the situation:

The below-illustrated logo KONRAD was registered in Germany as a trademark for the services "maintenance and repair of vehicles" at the German Patent and Trademark Office. The owner of the older community trademark CONRAD filed an opposition against this registration.



In the first instance, the opposition was rejected, as according to the Patent Office, a use could be substantiated in Germany, only. However, the use in one single country of the EU is not sufficient in terms of the use of a community trademark. Furthermore, there was only a corporate use of the trademark, among others as the name of the online shop of the owner of the opposition trademark.

According to the Federal Patent Court (appeal instance), the use of the opposition trademark in one single country of the European Union, only, is not opposed to the right-preserving use within the EU, as in the ECJ's opinion, the limits

of the sovereign territories of the member states are to be left out of consideration. According to the Federal Patent Court, the credible use of the opposition mark within the territory of the Federal Republic of Germany constitutes, however, a significant part of the European Union. Furthermore, the opponent also has an online shop www.conrad.com besides its stores in Germany, which can be accessed by interested persons of a large number of member states of the EU. That means that the use of a Union trademark in Germany, only, is also a use in a significant part of the European Union, and that is sufficient.

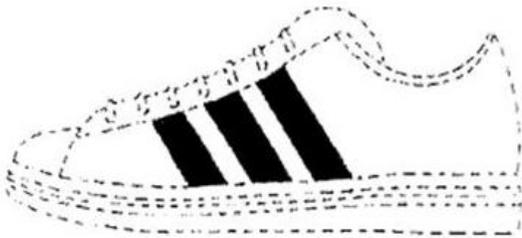
By the way, for the use of the services, it is sufficient that the opposition trademark was displayed in the catalogues and the online shop of the opponent, as naturally in terms of services, a physical connection between the trademark and the service is not possible, unlike in case of goods.

Federal Patent Court
decision dated September 6, 2017
file no. 28 W (pat) 514/17
Dipl.-Ing. Josef Bockhorni (Patent Attorney)

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The famous three Adidas stripes on a sports shoe (claims from trademark right – union figurative mark)

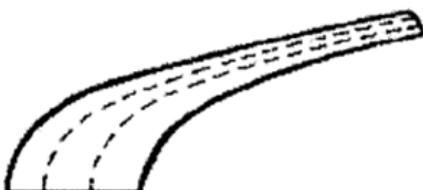
The plaintiff was the owner of a figurative union mark for the sports shoe (footwear) which is illustrated in the following, having the three-stripe pattern which is typical for Adidas. The union trademark claimed a priority of November 3, 2003.



Based on this union trademark, a complaint was filed against sports shoes, which are shown below, and which were advertised by the defendant correspondingly in its online shop.



The defendant was the owner of different figurative marks, including the following union trademark, which claimed a priority of October 31, 2003.



That means that the union priority of this figurative trademark was one month older than the figurative mark with the three stripes. The Higher Regional Court based in Cologne, Germany, adjudged an infringement of the plaintiff's union trademark and, in particular, a liability to damages, which is why the defendant filed an appeal with the Federal Supreme Court, which, however, remained unsuccessful.

Due to the design of the sports shoes, it was principally clear that the Federal Supreme Court based its arguments on a danger of confusion. Therefore, the priority of the union trademark of the defendant, which was one month better, was not relevant.

The reason for that is that the older priority of the union trademark, which was claimed by the defendant, did not constitute a right-preserving use of the mark based on the sports shoes with the three stripes according to the defendant's advertisement.

As can be seen from the above illustrations of the defendant's sports shoes and the defendant's union trademark, the union trademark is characterized by only one stripe, not three stripes, which is why a right-preserving use of the defendant's shoes which were also designed with three stripes, was denied. By the way: something that was not dealt with were possible claims by Adidas in connection with unfair trade law.

Federal Supreme Court
decision dated November 9, 2017

file no.: I ZR 110/16

Dipl.-Ing. Josef Bockhorni (Patent Attorney)

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Domestic nexus of an online trademark use which is directed to foreign customers

In an interesting decision of November 9, 2017, the German Federal Supreme Court (BGH) dealt with the extent that a use of a trademark on a website, which is mainly directed to foreign markets, has an economically relevant domestic effect, so that as a result, a trademark infringement of a domestically registered trademark arises.

The action was filed based on the German word mark RESISTOGRAPH, which is registered for special measuring and test devices against the use of the same designation by several defendants for comparable goods.

The defendants presented the corresponding devices on a website which was primarily directed to the foreign public and which is operated by an American subsidiary of the defendants. On the website, the designation RESISTOGRAPH is used. The website is an American-English website with prices in US dollars, so that the German Federal Supreme Court had to deal with the extent that an economically relevant domestic use can be concluded from this internet presence, which could then mean an infringement of a German trademark.

The Federal Supreme Court came to the conclusion that the website has a corresponding domestic nexus which would be necessary for a trademark use in Germany.

What is undisputed is the fact that the infringing acts of use on the home market are prohibited by the German Trademark Act. In the present case, the objected behavior took place mainly on the foreign market due to the internet presence, so that in the opinion of the Federal Supreme Court, it must particularly be determined to what extent there is also a relevant infringement action on the home market.

The Federal Supreme Court emphasized that not every internet offer which can be accessed from the home market must have an economi-

cally relevant domestic nexus (commercial effect). However, it is difficult from an objective point of view to decide when there is an economically relevant domestic nexus in case of a website that is mainly directed to the foreign market. Therefore, the single case must be examined and the circumstances must be assessed overall in order to answer the question of a domestic nexus.

In this connection, the Federal Supreme Court comes to the result that in the present case, there are more features at the same time which can affirm a sufficiently relevant domestic nexus from a competition point of view.

In this connection, the Federal Supreme Court clarified that a possible access of the website by English-speaking interested parties in Germany is, in its own, no relevant criterion for the overall assessment.

Following that, the BGH dealt with the question to what extent the use of the word RESISTOGRAPH as a meta tag on the concerned website can justify the necessary domestic nexus. Meta tags are information in the source code of a website, which are entered as key words by the operator of a website in order to enable the finding by a search engine. In this matter, the BGH is of the opinion that there is only a relevant criterion for assuming that there is a domestic nexus when it is a circumstance that can be influenced by the operator of the website. This question, was, however, remained unanswered by the BGH for further reasons, as further features were present on the website which in the end led to the domestic nexus.

On the one hand, the website clearly shows a German flag and moreover, one of the defendants based in Germany is advertised as "Manufacturer/Head Office". Furthermore, it results from the internet presence that as the contact for "Germany", the German website (.de) of the American website operator is referred to.

Furthermore, German trade fairs and seminars were advertised for in German language under the category “Upcoming dates”.

In this connection, the BGH determined that these features alone on their own cannot justify a domestic nexus, the circumstance that all features are present at the same time, however, can.

As a result, the internet presence has a relevant domestic nexus, even though it is directed to the foreign public, which is why the German

trademark RESISTOGRAPH of the plaintiff is infringed.

German Federal Supreme Court
decision dated November 9, 2017
file no.: I ZR 134/16
Dipl.-Ing. Josef Bockhorni (Patent Attorney)

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Lack of genuine use of a trademark in suit

A Czech company and owner of the international trademark REVOLT, registered for mineral rich waters and other non-alcoholic beverages, fruit drinks and the like with a priority of August 20, 2010 and protection extension to the EU, filed a suit against a US company based on the Union trademark (the extension) with the Regional Court based in Düsseldorf, Germany. The suit was directed against the use of ROCKSTAR REVOLT for energy drinks. The US company and defendant, which is responsible for the distribution, filed the union trademark application for energy drinks on February 28, 2016. The plaintiff filed an opposition against this application on June 6, 2016. The defendant itself filed a request for cancellation of the trademark with the European Union Intellectual Property Office (EUIPO) against the extension of protection of the trademark in suit to the European Union for cancellation due to lack of genuine use (Article 127, par. 3 Union Trademark Regulation).

The plaintiff stated, with respect to the use of the trademark in suit REVOLT, that its licensee was distributing energy drinks that were labelled with the trademark in suit in the Czech Republic, in Slovakia and Germany between February and September 2016 and that the drinks were also distributed to the Netherlands and Italy and used in the Czech Republic between September 2016 and February 2017. It was stated that for the use, 5,856 bottles were sold in five EU member states in the year 2016 with a total sales price of € 5,978.47.

Due to the fact that the infringement suit was filed only after expiration of the grace period on September 6, 2016, the plaintiff had to prove a genuine right-preserving use. However, in this connection, the Regional Court Düsseldorf came to the conclusion that for a genuine use, on a quantitative basis, a use of more than almost 6,000 bottles at a total price of approx. € 6,000.00 would have been necessary. Furthermore, bottles for beverages with a single sales price of approx. €0.80 per bottle are no upscale luxury goods, with which the sale of an even lower amount could have been considered as a genuine use.

Furthermore, under consideration of the size of the plaintiff's company, the amount of 5,856 sold bottles to five EU member states must be considered too low, so that despite the advertising expenditure claimed by the plaintiff, the Regional Court Düsseldorf came to the conclusion that the acts of use only served the purpose to escape the danger of deletion of the trademark for lack of genuine use.

In this connection, the Regional Court Düsseldorf indeed took into consideration that other factors, such as the advertising expenditure, must be considered, too, when it comes to genuine use, the low amount of sold products is, however, simply not sufficient for a genuine act of use.

Regional Court Düsseldorf
decision dated March 28, 2018
file no. 2a O 313/16

Dipl.-Ing. Josef Bockhorni (Patent Attorney)

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DATING BRACELET not registrable

The facts: the applicant intended to register the following figurative trademark as a European Union trademark for goods and services in classes 09, 41, 42 and 45, mainly in the sector of electronic bracelets and dating applications.



After the rejection by the European Union Intellectual Property Office, the Court of the European Union also rejected the trademark application as not registrable for lack of distinctiveness and descriptiveness. The Court made the following remarks in its decision: The word elements of the mark "DATING BRACELET" are an English expression, which is why the target public is the English speaking public of the EU (Ireland, Malta and the United Kingdom). The composition "DATING BRACELET" refers to a "bracelet for dating" or a "bracelet which is used for arranging dates". It is, in particular, proven that in trade, the word order refers to an existing electronic device which is worn around the arm joint and which contains software which helps in finding a partner. Therefore, the word order "DATING

BRACELET" is descriptive for the goods and services of the filed trademark and cannot be registered. The decision is remarkable because of the fact that the Court did not consider the figurative element as sufficient for overcoming the grounds of non-registrability, as it illustrates two intertwined hearts which merely emphasize the meaning of the word order.

In our opinion, this assessment is way too restrictive as the trademark leaves an individual, memorable impression with the relevant public, particularly due to the special graphic design of the hearts, i.e. their individual intertwined horizontal arrangement and the fact, that the hearts cannot be recognized as two hearts at first sight. In our view, this impression leads over the grounds of non-registrability.

Court of the European Union
decision dated March 20, 2018
file no.: T-272/17

BBiotech(Hons) Vanessa Bockhorni (Patent Attorney)

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Right to sue of an exclusive licensee in case of the infringement of a protective right

The object of the patent license contract is granting a license, i.e. the right to use a protective right. The right to use which is granted for the patent can be either *non-exclusive* or *exclusive* with respect to the production and distribution, respectively. In the first case, the patent owner is allowed to grant further licenses and to produce the licensed object himself, too. In the second case, it must be explained which meaning the exclusiveness is supposed to have.

Generally, the licensee of a patent only has a legal possibility to act against potential patent infringers based on a patent when he has an *exclusive* license. Only in this case does the license also grant a negative prohibitive right without any limitations beside the positive right to use.

The Higher Regional Court now had to deal with a case in which an exclusive licensee acted against a patent infringer. As the patent infringer put into question the right to sue of the exclusive licensee, the Higher Regional Court had to check the license contract as to whether the licensee indeed owned an exclusive license. In the license contract, the patent owner was allowed to grant further licenses under certain conditions. However, the authorization to grant further licenses was attached to two conditions, namely firstly to the delayed payment of the license fee by the licensee and secondly, to the

fact that even after notice of default by registered letter, no payment of the license fee is effected.

The Higher Regional Court recognized that from the mere right to exercise, it cannot be concluded that the patent owner does in fact use its right and concludes a further license contract with a third party. Only in case that this really happens, the unlimited positive right to use and negative prohibitive right, that is granted to the licensee, would be limited.

In this respect, the patent owner, who doubts the right to sue, bears the burden of presentation and proof because by denying the right to sue, he wanted to reach favorable consequences for himself. In this connection, the patent infringer cannot refer to his lack of knowledge either, but must in fact present proof that these special circumstances have occurred.

In the present case, the licensee furthermore complied with its secondary burden of proof with respect to the facts within its area, and presented account statements which proved the incoming payments of the license fee from the licensee. That means that there was no late payment at no point in time. Hence, the attack led nowhere.

Conclusion:

When drafting license contracts, it must be observed that it is very clear which kind of license the contract refers to, so that in case of an infringement, the objection of lack of right to sue cannot be made. It must furthermore be observed that the circumstances under which a further license can be granted are defined clearly and unambiguously as pitfalls can arise.

Higher Regional Court Düsseldorf, Germany
decision dated February 22, 2018
file no.: I-15 U 102/16
Dipl.-Phys. Thorsten Brüntjen (Patent Attorney)

Higher Regional Court in Frankfurt a. M.: Travel alarm clock – distribution under different trademarks can destroy competitive character

The plaintiff constructed and designed a travel alarm clock which was delivered to a discount supermarket in Germany at an amount of more than 40,000 items. The discounter sold the plaintiff's alarm clock in the low price segment under its own trademark to the end consumer, with the trademark being positioned in the dial of the clock.

Furthermore, the plaintiff supplied a third company with its alarm clock, which also sold it under two own brands, positioned on the dial.

The defendant also distributed an alarm clock to the same discount supermarket, which almost identically adapted the features of the plaintiff's alarm clock. The discount supermarket re-sold the alarm clock under the same own mark as the one of the plaintiff, again with the mark being positioned on the dial, as shown below.



The plaintiff was of the opinion that there was an anti-competitive copy according to § 4 no. 3 German Act Against Unfair Competition and, among others, demanded the defendant to cease and desist. (Matter of facts shortened significantly, legal explanations focused on the facts of § 4, no. 3 German Act Against Unfair Competition.)

The appeal instance confirmed the decision of the first instance, the complaint was rejected. Offering a copy can be anti-competitive according to § 4 no. 3 Act Against Unfair Competition, when the copied product has a competitive character and when there are in addition special circumstances – such as the avoidable deception of the corporate origin or an inadequate influence or exploitation of the value of the copied product, from which the unfairness follows. A competitive character is present when the concrete design or certain features of a product are suitable for informing the interested public of the corporate origin or its special characteristics.

The Higher Regional Court based in Frankfurt was of the opinion that the coining design features of the plaintiff's alarm clock were principally suitable for justifying at least a low inherent competitive characteristic. In the end, the competitive character was, however, rejected as the original design by the plaintiff was distributed on a large scale under different trademarks in Germany:

Accordingly, a competitive character is to be denied when the target public cannot assign the coining design features of the products (any longer) to a certain producer or a specific product. This is the case when one and the same product is distributed on a large scale by different companies under their respective own mark. In terms of competitive characteristic, it is not important if the target public knows the producer of the product by name. It is, however, necessary that the target public assumes that the product comes from a certain producer, no matter what its name is, or has been brought onto the market by an associated company. The distribution under different marks obstructs such presentations of origin only when they are considered as manufacturer's brands and not as retail brands, only.

Although the used brands are, from a merely legal point of view, retail brands of the discount

supermarket and the further third supplier – as non-producing companies – customers assumed that it was a manufacturer’s brand: due to the experience of the average consumer, the manufacturer’s brand is regularly positioned at the clearly visible place on the dial.

According to the explanations of the Higher Regional Court Frankfurt, something different could apply when the consumer, due to special circumstances, would have to assume the trademark of a retail group, as for example the trademark is used for a number of various products across the product groups of the respective commercial chain and, therefore, the consumer comes across it often in the markets of the respective chain. However, the Court did not see any indications for that.

In the end, it was denied that the consumer could have recognized that it was no “brand

product” due to the low price but rather a product distributed under the retail brand. Such an assumption would, however, require that the target public assumes that producers of “cheaper” products do not use their own brands. This principle based on experience was not confirmed by the senate.

Apart from that, the claim would have been barred. Further bases for a claim from the German Act Against Unfair Competition were denied.

Higher Regional Court Frankfurt a. M.
decision dated Nov. 23, 2017
file no. 6 U 224/16
Sabine Röhler (Attorney-at-Law)

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German Federal Supreme Court (BGH): Jar sizes – when can one talk of an anti-competitive deceptive packaging?

In the concrete proceeding, the defendant distributes cosmetic skin care products. Part of its product range are, among others, a day cream and a night cream for the face which were sold to the final consumer at about 10 € each in the year 2013. Each cream was distributed in an outer packaging which was 7 cm high, with a floor at a height of 3 cm added like a pedestal. A 4 cm high, round shaped jar was placed on this pedestal which contained 50 ml of cream. This filling amount of the jar was correctly indicated with 50 ml at the bottom side of the packaging. At the right side of the outer packaging, there was furthermore a photorealistic image of the cream jar in its natural size with the information that the product image corresponds with the original size.



The plaintiff was of the opinion that the described packaging was sold as a deceptive packaging which infringes both § 7 par. 2 of the German Calibration Law (valid until Dec. 31, 2014) and 43 II German Measurement and Calibration Law (valid from Jan. 1, 2015) as well the prohibition of misleading statements according to § 5 German Act Against Unfair Com-

petition. Therefore, the plaintiff demanded the defendant to cease and desist.

An infringement of § 7 par. 2 German Calibration Law and § 43 German Measurement and Calibration Law, which relates to the pretense of a certain filling amount, was not given due to the statements made in the appeal instance. Accordingly, it could not be determined that the target public always expected a higher filling amount due to a bigger packaging.

In contrast to the appeal instance, the Federal Supreme Court (BGH), however, also denied an infringement of the prohibition of misleading statements according to § 5 par. 1 German Act Against Unfair Competition. According to that, anybody acts unfair who undertakes a misleading business action which tends to induce the consumer to take a business action that he would not have taken otherwise. The BGH did not think that a misleading misconception nor the necessary relevance of the business action for inducing an action was justified.

A business action is misleading when the consumers receives another impression than what is the actual truth. With respect to the question how an advertisement is understood, the perception of the averagely informed consumer is essential, who attaches the attention appropriate for the situation to an advertisement. The degree of attention depends on the respective situation and mainly on the meaning the advertised goods have for him. In case of low value objects of daily use or when flipping through ad inserts for the first time, his attention is usually rather low so that the advertisement is perceived only vaguely. In contrast to that, the consumer will perceive an information with the increased attention that is adequate for the situation when he must pay a considerable price for the offered products. Furthermore, the kind and meaning of the offered products is considerable. When it comes to products such as food with which the consumer's decision to

buy regularly depends on the composition of the food, it can be assumed that not only the front side of a packaging but also the ingredients that are listed elsewhere are perceived.

The same applies to face creams, with which the more detailed information regarding the composition is regularly of interest for the consumer. The relevant group of consumers would therefore not only perceive the front side of the outer packaging but would also study the sides of the packaging and will perceive the image of the jar and the information regarding the original size in the course of that.

The relevance of the business action to the consumer decision was also denied by the BGH.

The previous instance reasoned the relevance by stating that the target public would expect bigger jars in case of bigger packagings, which allow haptic and optical conclusions to the value and quality of the product itself and therefore have an influence on the decision to buy. The BGH, however, did not consider the respective business relevance to be justified comprehensively.

Federal Supreme Court
decision dated October 11, 2017
file no. I ZR 78/16
Sabine Röhler (Attorney-at-Law)

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Is it okay that an advertisement refers to the “wholesomeness” of beer?

The German Federal Supreme Court (BGH) has now ended the legal dispute over the question as to the extent how the term “wholesome” can be used in an advertisement for beer.

The situation was that a German brewery has been using a slogan for its beer advertisement since the 1930s which was “wohl bekomms” (*literal translation “may it be wholesome for you”*). The brewery derived the German term “bekömmlich” (*wholesome*) from this slogan in order to advertise for its various beers with an alcohol content of 2.9 – 5.1 % on the internet. An association for combating unfair competition (plaintiff) filed a lawsuit against this and argued that the term “bekömmlich” (*wholesome*) should be considered as a health-related information, something that is, however, not admissible due to relevant EU provisions.

The Regional Court agreed with the plaintiff and issued an interim injunction as according to the Health-Claims-Regulation, beverages with an alcohol content of more than 1.2 % must not be advertised with health-related information within the EU. The Regional Court thus also confirmed in the main proceedings that an advertisement with “bekömmlich” (*wholesome*) is not admissible.

The defendant brewery was not successful with its appeal before the Higher Regional Court.

The brewery lodged an appeal against this decision with the Supreme Court and stated in the oral proceedings that the term “bekömmlich” (*wholesome*) was enshrined in German beer culture and was perceived by the relevant public as “convenient” or “comfortable”. The Supreme Court, however, did not agree to this but emphasized, by referring to the relevant EU provisions (provision no. 1924/2006), that when it comes to alcoholic beverages with more than 1.2 % alcohol, health-related information must not be used in advertisements. The Supreme Court pointed out that the term “bekömmlich” (*wholesome*) was perceived by the relevant public as “healthy”, “beneficial” and “easily digestible”, so that the prohibition against the advertisement was justified.

German Federal Supreme Court
Decision dated May 17, 2018
file no. I ZR 252/16

Dipl.-Ing. Josef Bockhorni (Patent Attorney)

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Application statistics of the EPO with regard to inventions of the fourth industrial revolution (4IR)

A study of the European Patent Office (EPO) on the topic "Patents and the Fourth Industrial Revolution (4IR)" shows an enormous increase in patent applications relating to inventions in the new core technology sectors, namely information and communication technologies, enabling technologies as well as the implementation of these technologies at home, in companies or vehicles. Accordingly, the number of applications in these core technologies increased by 54 % within the last three years.

As the most recent inventions are an indicator for the technological development of the society, it can be assumed that artificial intelligence, connected smart objects and their use in the domestic, mobile and business environment will change the society significantly within the next two decades.

INTA 2018 in Seattle

Patent attorneys Vanessa Bockhorni and Thorsten Brüntjen represented our patent law firm Bockhorni & Brüntjen PartG mbB at the worldwide biggest trademark conference INTA (International Trademark Association) this year. INTA took place from May 19 to May 24 in Seattle. With over 10,000 participants from more than 150 countries of the world, INTA is the biggest event of this kind. This event is excellently suitable for informing oneself extensively about the most recent developments in the sector of industrial property right in the various countries of the world.

The conference took place in the heart of Seattle. Not only because of the headquarters of Microsoft and Amazon, Seattle is at the tune of times. The participants of the conference visited among others the first Amazon shop worldwide,

Leading applicants of the new technologies are Europe, the USA and Japan, with South Korea and China racing to catch up rapidly. When looking at Europe, the pioneers of the 4IR technologies are Germany and France. As expected, Germany is at first place in the sectors vehicles, infrastructure and production, France is at first place regarding artificial intelligence, security, user interfaces and 3D systems.

Sources:

Press announcement EPO dated December 11, 2017, newsletter of the German Patent Attorney Association 1/18

BBiotech(Hons) Vanessa Bockhorni (Patent Attorney)

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where after installation of the app "Amazon Go", the purchases are assigned to the individual customers by an invisible mechanism, so that principally, the store does not need any cashiers at all. As stated by the Amazon employee at the entrance, no jobs are destroyed but rather shifted into the technology sector.

All in all, Vanessa Bockhorni and Thorsten Brüntjen considered the conference as a success for the patent law firm. They take this opportunity to say Thank You to all associated colleagues who took some of their valuable time for a meeting.

Dipl.-Phys. Thorsten Brüntjen (Patent Attorney)

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