

Ed. 1/2020

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Dear readers of our Update,

These are turbulent times. The corona pandemic poses great challenges for our society, both economically and privately. Could you have imagined a year ago that even a patent attorney's office could function largely from the home office? And yet: If it has to be, many things turn out possible for the sake of the protection of the health of every individual. We have therefore taken this step with discipline and a high degree of organization. We will emerge strengthened from these challenging times, of that we are sure.

We have already informed you by e-mail about restrictions at authorities and courts. Due to the categorisation of the pandemic as a natural disaster, the authorities and courts want to avoid negative consequences for applicants for protective rights as far as possible. An overview of the current regulations can always be found on our homepage, which we update regularly.

The past months have also been eventful in another sense. The BREXIT has been completed and it is now also clear that the United Kingdom has not only withdrawn from the European Union, but has also revoked its ratification of the Agreement on the Unified Patent Court. The project to create a European patent with unitary effect in all participating Member States is considered to be severely hit. This is all the more true as the German Federal Constitutional Court, in its decision of February 13, 2020, declared the law which stipulates the German consent to the unified patent null and void. In order to transfer sovereign rights from the FRG to the EU on such a massive scale, the German Bundestag should have passed the law with a two-thirds majority of the members of the Bundestag, according to the judges of the Federal Constitutional Court. If and when this "Uniform Patent Project of the Century" will now come is unfortunately again written in the stars.

In the first quarter of this year, the German Bundestag was also expecting a draft law to simplify and modernise patent law. The discussed limitation of the right to injunctive relief under Sec. 139 German Patent Law will be an interesting issue. Since in recent years there have been a number of fierce patent disputes between so-called "patent trolls" and the automotive and telecommunications industries, there has been a great deal of lobbying by the industry. For example, it is debatable whether the injunctive relief should be linked to an existing competitive relationship between the patent holder and the patent infringer, or whether complex products containing a large number of patent-protected components or parts should be more protected against attack from a single patent.

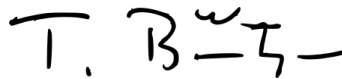
In our Spring Update 2020 we present a number of recent important decisions, including decisions of the European Patent Office, the German Patent and Trademark Office, the German Federal Patent Court, the Federal High Court of Justice, the European Court of Justice, the European Court of First Instance and the Higher Regional Court of Frankfurt.

We hope you will enjoy reading this newsletter and will of course be happy to answer any questions you may have about the topics.

With kind regards



Vanessa Bockhorni
(Patent Attorney)



Thorsten Brüntjen
(Patent Attorney)

Artificial intelligence as inventor



Picture :© Video Marketing © kentoh

At present, the “patent world” is dealing with decisions of the EPO, which rejected patent applications in which an artificial intelligence (AI), the so-called DABUS Creativity Machine, is named as inventor.

The case

The machine had discovered the novelty of its own idea itself. Since the idea seemed to be patentable, the owner of the machine also considered it possible to file a patent application, whereby the machine was honestly to be named as the inventor.

The Receiving Section of the EPO first sent out a negative formal notice and then invited to oral proceedings.

At the oral hearing, the applicant basically took the view that artificial intelligences had to be accepted as inventors in order for the patent register not to contain any false statements. If, on the other hand, artificial intelligences were not accepted as inventors, then all these inventions would be excluded from patentability, contrary to Articles 52 to 57 of the EPC, which

could probably not be intended by the legislator.

The Receiving Section rejected the applications due to formal deficiencies in the designation of the inventor. It referred to Article 81 and Rule 19(1) EPC, which require the inventor to be designated and, if the applicant is not the inventor, a statement to be made as to how the right to the European patent has passed to the applicant. According to the Receiving Office, Rule 19(1) EPC requires a first name, a surname and a full address, which is not provided by the DABUS AI machine. They argued that the inventor possesses a large number of rights which only a natural person can exercise. A patent application would always involve a natural inventor and it must be possible for anyone to challenge the transfer of the invention from the inventor to the applicant, which would not be possible if an inventor's name was not filed or an incorrect name was filed. According to the Receiving Office, a transfer of the right within the scope of an employment relationship could also not be assumed, since machines were not employed, but at best “possessed”. Although

the owner of an AI machine could own the work results of the machine, ownership or possession had to be separated from the question of inventiveness. This would also be unanimously advocated internationally, for example in China, Japan, Korea and the USA. None of these countries had so far recognized an artificial system or machine as an inventor.

Comments

In our view, the decision of the European Patent Office was quite predictable. It is hardly conceivable that a Receiving Section would press ahead and admit an artificial intelligence as inventor. However, these procedures are now opening a debate, at least in specialist circles and possibly beyond. The question is not whether, at present and under the current legal conditions, an artificial intelligence can be an inventor. Rather, it is now being discussed whether and how the results of the work of artificial intelligences can be protected and evaluated in the future. There is no doubt that

the results of the work of an artificial intelligence can be exploitable under patent law. But it should be clarified, for example, whether the owner of a machine, the person who operated the machine at the time of the invention, the person who programmed the machine, or even a trainer of a neural network typically are to be represented in the inventorship.

In both cases an appeal has been filed. A decision of the Board of Appeal is expected in about 2 to 3 years -we'll stay tuned.

EPO's Receiving Section
File number: EP 1 818 161.0
EP 1 816 909.4

Thorsten Brüntjen
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Continuation of the Opposition Proceeding when a patent expires

"An opposition proceeding can continue at the opponent's request even when the patent owner abandons the European patent in all designated contracting countries or when the affected patent has expired in all designated contracting countries. The opponent must file a corresponding request within two months after the communication from the European Patent Office about the abandonment or expiration."

Rule 84 (1) EPC

Chronology of the case

In the present case, the opposition department had issued its interim decision regarding the maintenance of the patent in amended form. The opponent was informed with the official communication according to Rule 84(1) EPC about the expiration of the European opposition patent and received a term of two months for filing the request for continuation of the proceeding.

The opponent filed an appeal against the interim decision of the opposition department. Approximately two weeks later, the opponent declared the intention that the opposition proceeding be continued and expressively referred to the official communication. Following that, the opponent withdrew the appeal and confirmed at the same time his intention that the opposition proceeding be continued.

The opposition department decided within approximately one year after receipt of the request for continuation of the proceeding that the opposition proceeding would not be continued. The reason given was that no timely request for continuation had been made.

The opponent filed an appeal against this decision of the opposition department and requested that the opposition proceeding be continued and the appeal fee be refunded.

The opponent (in the following: the appellant) accused the opposition division of having ignored the appellant's request for continuation of the opposition proceeding in the decision to not continue the proceeding. In the substantiation of appeal, the appellant referred to the timely filed request for continuation, which had never been withdrawn. Therefore, the appellant com-

plained about the reason in the disputed decision that no request for continuation of the proceeding according to Rule 84(1) EPC had been made. Furthermore, the appellant claimed that an essential procedural breach had been made by the opposition division when not considering the request.

Decision of the Board of Appeal

The board agreed with the appellant in that the reason, which was brought forward by the opposition department, for not continuing the opposition proceeding, was not correct, as the file did contain an expressive and unambiguous letter of the appellant dated March 14, 2017 requesting the continuation of the proceeding within the prescribed term.

Furthermore, the appellant had expressively confirmed the request for continuation of the opposition proceeding when withdrawing the appeal against the interim decision and also clarified that the withdrawal does not affect the request for continuation according to Rule 84 (1) EPC.

In this specific case, the request for continuation was filed at a time when an appeal was pending and it would have fallen within the responsibility of the Board of Appeal to decide on the request. However, the appeal was withdrawn after two months and thus before the Board could deal with the request. From that moment, the opposition department was responsible for handling the request. The course of the matter might have led to confusion, however, it does not change the fact that a request for continuation was filed in time and that the opposition department was obliged to examine the request.

The Board of Appeal was also of the opinion that the appellant had been impaired by the decision of the opposition department:

Even though the opposition proceeding led to an interim decision, which entered into force after the legally effective withdrawal of the appeal, the opposition proceeding had not yet been concluded and the continuation of the proceeding could still have some legal significance. In order to conclude the opposition proceeding, the new specification of the patent would have to be published (Art. 103 EPC), with this publication being dependent on certain actions by the owner (Rule 82 (2) EPC), such as for example the payment of the prescribed fee and filing translations of the amended claims. The same rule applies when the Office asks the patent owner to take these actions within a certain deadline. Non-adherence to such request leads to the revocation of the patent. Contrary to the termination or abandonment, the revocation has retroactive legal consequences, see Art. 68 EPC.

Furthermore, the file did not contain any information that the patent owner received a communication according to Rule 82(2) EPC. Consequently, the opposition department obviously

did not recognize the appellant's request for continuation and did not examine it, which is why the appellant was impaired.

Due to the fact that the decision to not continue with the opposition proceeding was based on an incorrect reason, it had to be repealed and the opposition division had to make a new decision by duly considering the appellant's request.

Furthermore, the Board concluded that a complete non-observance of an expressive and unambiguous request was an essential procedural breach. In fact, the appellant was quite obviously not heard regarding this request, contrary to Art. 113 (1) EPC. The circumstance that this was probably not intended but solely the result of an oversight of the opposition department, so that the opposition department was not aware of the request at all, is not relevant in this connection. Due to these circumstances, the Board considered it fair that the appeal fee was refunded.

EPO's Technical Board of Appeal
Case number: T 2492/18

Vanessa Bockhorni
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PLEASE NOTE:

The abandonment or termination of the patent applies "ex nunc", i.e. from the date of abandonment or cancellation, there is no patent protection anymore, while the revocation applies "ex tunc", i.e. the patent shall be deemed not to have had, from the outset, any effect (Art. 68 EPC).

The opponent can indeed have an interest in a revocation of a European patent even when the patent terminated or was abandoned.

The printed copy at the EPO

The importance of the so-called "printed copy" in the context of the Communication under Rule 71(3) EPC was recently confirmed by a Technical Board of Appeal of the European Patent Office.

The case

In the present case, a patent application contained Figures 1/18-18/18. During the examination procedure, the applicant submitted Figures 1 to 7, requesting that all Figures 1 to 18 of the original application be replaced by Figures 1 to 7.

The Office issued a Communication under Rule 71(3) EPC and *incorrectly* listed both figures 1/18 to 7/18 filed later, and figures 8/18 to 18/18 as text versions intended for grant. Likewise, the printed copy contained pages 1/7 to 7/7 and 8/18 to 18/18.

The applicant accepted the printed copy except for minor deficiencies in the description, which are not relevant here, and waived the withdrawal of a further Communication under Rule 71(3) EPC. The EPO granted the patent as requested.

Appealing the case, the applicant attempted to remove figure pages 8/18 to 18/18 from the granted patent.

The applicant's appeal was unsuccessful.

The Board of Appeal made it clear that the applicant's declaration of consent to the printed copy was **decisive** for the European patent. The applicant's "true intention", even if this was clearly discernible, as is the case here is not

decisive. In the case of consent to the printed copy, the Examining Division can legitimately assume that the applicant had examined and verified the printed copy.

Comments

We recommend to patent applicants to carefully examine **each page** of the printed copy of a patent intended for grant against the documents as filed, and to verify whether the printed copy actually corresponds to the latest request. If this is not the case, which happens relatively often, the route via the Rule 71(6) EPC communication should be chosen to make corrections to the printed copy.

It is **not** advisable to waive the right to receive a further Communication under Rule 71(3) EPC. In our view, is not clear, for example, whether the EPO will allow further corrections subsequently, even if further mistakes are made by the EPO when producing the new printed copy. Although the present case leaves this situation open, it should be noted that in the case just decided, the appeal was dismissed by the Board as **inadmissible**, since the applicant was not at all adversely affected due to his waiver and his declaration of consent. We suspect that the EPO will interpret any waiver by the applicant just as clearly. Thus, in this scenario errors caused by the EPO itself may undesirably enter the patent.

EPO's Technical Board of Appeal
Case number: T 2277/19

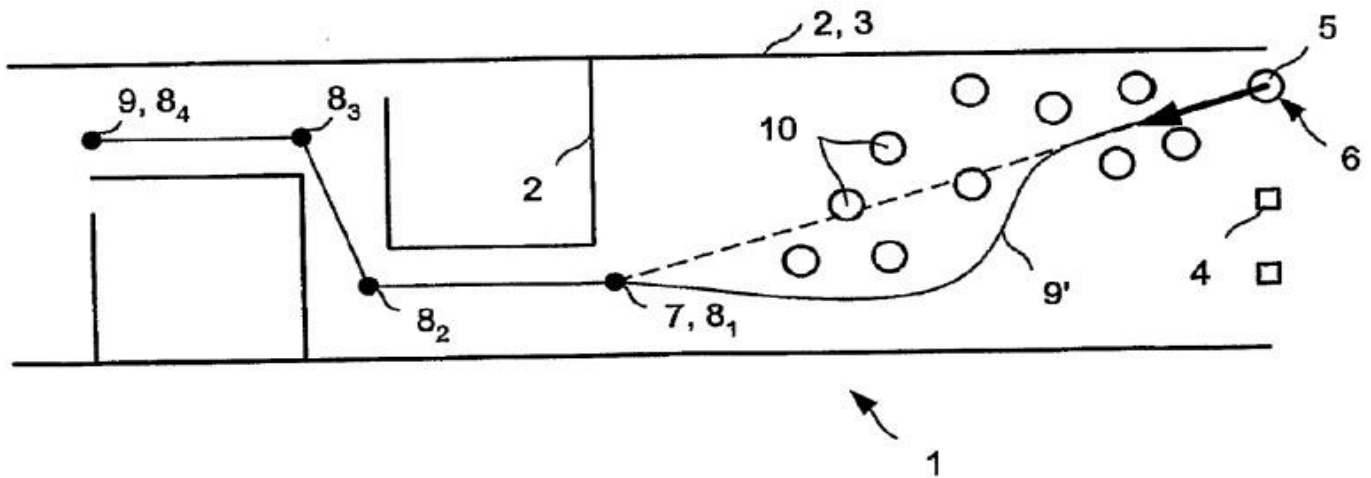
Thorsten Brüntjen
(Patent Attorney)

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PLEASE NOTE:

Applicants are **not** advised to dispense with a further Communication under Rule 71(3) EPC if there are deficiencies in the text version ("printed copy") intended for grant.

Patentability of a simulation process



(Fig. 2 from EP1546948 A2)

In a current case, the Enlarged Board of Appeal is supposed to create new jurisdiction with respect to computer implemented simulation processes. We expect the decision to be issued within this year.

The case

The case at question refers to the computer implemented simulation of a certain number of pedestrians in a building based on a physical model of the pedestrians. Each pedestrian is represented in the following way: He or she wants to get from a point A to a point B, but is hindered to do so by various problems or circumstances. Typical influences on the pedestrian are other pedestrians, as well as objects which are located between start and end point of the trajectory, see figure above taken from the patent. Furthermore, the pedestrian is considered as a physical model with parameters such as freedom of movement, pace and the like.

Simulations like these help engineers when constructing a new building, i.e. when conceptualizing a design of the building such that pedestrian flows within the building are optimized.

It is obvious that such simulations in case of few pedestrians can principally be made in one's mind or on paper. However, when it comes to a large number of people, it is princi-

pally impossible to make a simulation and the use of a computer is inevitable.

In the present case, the examination department in the first instance disagreed that there is an inventive activity, without naming any documents, and reasoned that there is no "technical" problem.

The Technical Board of Appeal of the second instance did not see any uniform jurisdiction enabling it to decide on the present case. The strict observance of the criteria in G 3/08 would lead to the result that there is no further technical effect. Then, a rejection due to lack of an inventive activity must be expected. With respect to simulation processes, there is, however, also the decision T 1227/05, which deals with the numeric simulation of circuits which are subject to white noise. Both in the Guidelines for Examination at the European Patent Office as well as online at the EPO's homepage, this decision is cited as a positive example regarding the presence of an inventive activity in case of simulation processes.

The Technical Board of Appeal explained in detail the similarities of the situations in T 1227/05 to the present case (electrodes in electric circuits vs. pedestrians in the building). In simple words, T 1227/05 says that due to the speed of the simulation process, an extensive class of drafts can be tested virtually and be

examined for promising candidates, so that it can be assessed before production takes place if the construction of a prototype is promising.

Due to the fact that with the circuits simulated there, a sufficiently determined class of technical objects would be defined, a patent could be granted on the simulation process.

The Technical Board of Appeal which deals with the current case points out that it could not be the task of the European Patent Office to provide patent protection for simulation processes, if this was not originally intended by the legislator. The Enlarged Board of Appeal would either have to decide on overruling T 1227/05 or decide that in case of simulation processes, special criteria must be used which would then have to be established.

The referral questions

It was primarily asked if the computer implemented simulation of a technical system or process as such can solve a technical problem, which generates a technical effect, which can be found outside the implementation of the simulation at the computer when the simulation as such is claimed. This would have the effect that the single steps of the simulation (typically mathematical formulas) can be considered in the assessment of the inventive step.

It was also asked which relevant criteria there is for assessing the question if a computer implemented simulation solves a technical problem and if it is sufficient for this purpose that the simulation itself is based at least in parts on technical principles which are subject to the underlying simulated system or process. In a third question, the connection to a design process (here a building architecture), in which the simulation is used, is made more concrete, for example in order to verify a design.

Comments

We would like to point out that the Examiners at the EPO in the first instance often take the easy way out. They do not search for any or only for remote state of the art which refers to a computer implemented invention and argue in very general terms that a technical task is missing.

It can be imagined that not receiving any search result regarding a patent application is quite unsatisfactory for the applicant.

While some years ago, it might not have been possible yet to search for relevant state of the art regarding such simulation processes, it should nowadays easily be possible to search for close state of the art for the Examiners of the EPO. This is last but not least due to the large number of patent applications which were made in this sector in these last few years.

If the appeal instance agreed with the applicant, the case would at least be referred back to the first instance, asking it to carry out a complete search.

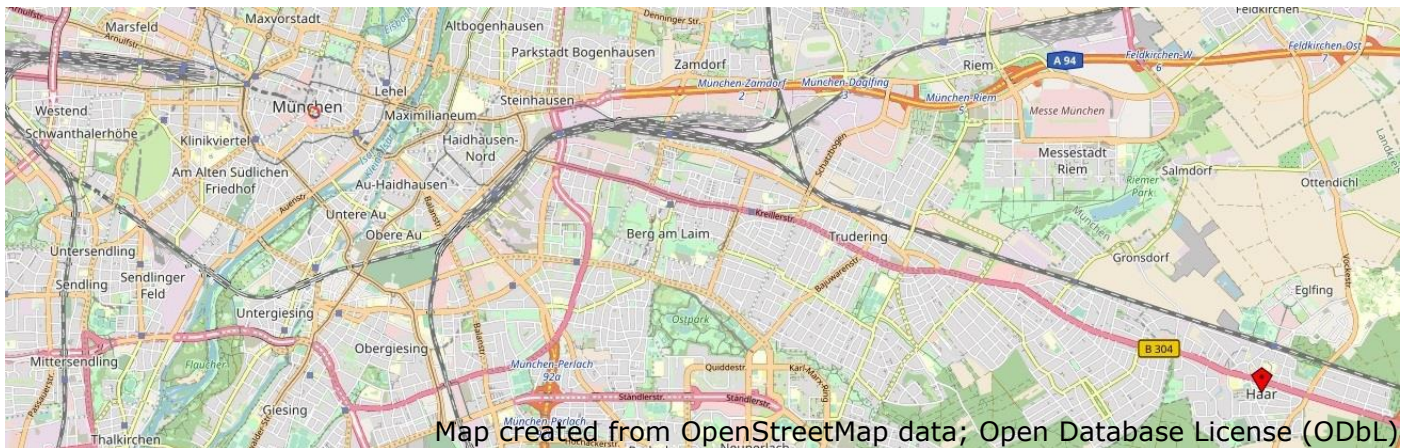
In our view, computer implemented inventions should be examined by applying the known criteria for examining novelty and by applying the problem-solution approach when assessing inventive activity. This requires at least some knowledge of the relevant state of the art.

EPO's Enlarged Board of Appeal
Referral number: G 1/19

Thorsten Brüntjen
(Patent Attorney)

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Haar or Munich



The Technical Board of Appeal 3.5.03 had to deal with an obviously illegitimate appeal. In this appeal, an appellant filed third party observations in the prosecution procedure of a EP patent application, and intended to oppose the decision of grant by reasoning that his observations according to Art. 84 EPC would not be considered at all in a subsequent opposition procedure.

The Technical Board of Appeal took this opportunity to ask the Enlarged Board of Appeal if an oral proceeding must be appointed in this case, although the appeal was obviously illegitimate.

Curiously, the appellant did not accept that the oral proceeding was appointed in Haar (a suburb of Munich), which is the current seat of the boards of appeal. The appellant requested the oral proceedings to be relocated to Munich as, in his view, according to the European Patent Convention, Munich is the only location where oral proceedings can be held.

The Technical Board of Appeal considered this to be another general problem with significant consequences and the question arose if such a request by the appellant must be granted or not.

However, the Enlarged Board of Appeal decided in G 2/10 that there is neither a right to oral proceedings by an uninvolved third party, nor that the „Haar“ site transgress the EPC.

From our point of view, it is very regrettable that the European Patent Convention does not see any possibility for third parties to submit clarity objections against a European patent. Third parties are not involved in examination proceedings and in opposition proceedings, clarity as an opposition ground is not provided for.

As regards the question “Haar or Munich”, we share the “sorrow” of some members of the boards of appeal who have to drive out from Munich to Haar for the oral proceedings: The boards of appeal are located “off the beaten track” in a simple office building with doubtful standards. There is no modern sensor technology in the sanitary facilities. The ways in the building are narrow and cramped. The offer in the canteen and cafeteria is not overbroad. But in order to change this, not only good will would be required but also good money.

EPO’s Enlarged Board of Appeal
Referral number: G 2/19

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The figurative trademark „BREXiT“

This case dealt with the question if the registration of the figurative mark “BREXiT” is allowable. The question was if Art. 7 I b and Art. 7 I f EUTMR was infringed. Furthermore, it was questioned if the figurative trademark “BREXiT” infringes public order or recognized principles of good custom and contains sufficient distinctiveness.

The Court rejected an infringement of the public order and of the recognized the principles of good custom. The Court reasoned that the “Brexit” was a sovereign, political decision which was legally made and which does not have any negative moral connotation. The figurative trademark “BREXiT” is neither an instigation to crime nor an emblem for terrorism nor a synonym for sexism or racism. The fact that part of the British public might have been annoyed by a disputed, democratically made decision is not sufficient for determining any infringement.

The Court did, however, clarify that the term “Brexit” at the time of the application was very popular as it was a meaningful, historic and political event, so that the relevant consumers would not bring this term into connection with goods or services of a specific distributor but rather with the political event that Great Britain decided the leave the European Union. The conclusion is that the term “Brexit” can only gain distinctiveness when consumers are sufficiently confronted with it in trade, however, this is currently not the case.

Therefore, the application “BREXiT” was rejected.

EUIPO Enlarged Board of Appeal
Case number: R 958/17-G

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Rubik`s cube - Invalidity of the Union trademark

In its judgment in Case T-601/17, the General Court of the European Union held that the Union trademark *Rubik's Cube* should not have been registered as a Union trademark because the essential characteristics of the cube are necessary to obtain the technical result, namely that of rotatability.

In 1999, the following cube shape was registered as a three-dimensional Union trademark for 'three-dimensional puzzles' by the Office of the European Union for Intellectual Property (EUIPO) at the request of the intellectual property rights administrator for the Rubik's Cube:

In 2006, a German toy manufacturer applied to the EUIPO for a declaration of invalidity of the trademark on the basis, inter alia, that it con-

tained a technical solution consisting in its rotatability and that such a solution could be protected only by a patent and not as a trademark. The application for a declaration of invalidity was rejected by the EUIPO.

The subsequent action brought by the toy manufacturer before the General Court of the European Union for annulment of the EUIPO decision was also dismissed by judgment of November 25, 2014. The court took the view that the cube shape in question did not contain a technical solution that would prevent trademark protection. Instead, the characteristic technical solution would result from the invisible mechanism inside the cube.

In the appeal proceedings, however, the judgment of the General Court of the European Union and the decision of the EUIPO were then set aside by the Court of Justice of the European Union in its judgment of November 10, 2016. It held that, in order to be registrable, non-visible elements of the product represented by that shape – such as rotatability – should also have been taken into account.

The EUIPO then cancelled the trademark registration. It found that the representation of the cube contained three essential features: the shape of the cube as a whole, the black lines and small squares on each side of the cube, and the different colours on the six sides of the cube. Each of those features is necessary to obtain a technical result and that would preclude registration under the Regulation. The technical effect is that rows of smaller cubes of different colours forming a larger cube are rotated vertically and horizontally about an axis until the nine squares on each side of that cube are the same colour.

The proprietor of the Union trademark at issue challenged that decision before the General Court of the European Union. In the decision at issue in this case, the General Court of the European Union upheld the EUIPO's decision as regards the definition of the technical effect, with the exception of the essential nature of the different colours on the six sides of the cube:

As regards the colouring, the proprietor did not claim that it played an important role, nor did the graphic representation show clearly enough that the six sides had different colours.

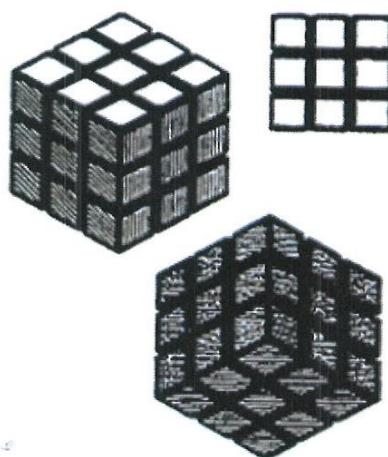
However, the black lines and the shape of the cube are in themselves essential features for achieving the technical result: It is only because of the physical separation between the small cubes, represented by the black lines, that the player can turn each row of small cubes independently of the others in order to arrange them in the desired colour combination on the sides of the cube. Without this physical separation, horizontal and vertical rotation would not be possible with the help of a mechanism inside the cube, so there would only be one fixed block. The shape of the cube itself, as an essential feature, is inseparable from the lattice structure and the function of the product itself, that is to say, the fact that rows of small cubes can be rotated horizontally and vertically.

Since two features are required here as essential to achieve the result sought by the cube shape of the product represented, the mark should not have been registered as a Union trademark

General Court of the European Union
Case number: T-601/17

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VITROMED ./ Vitromed

Proprietor of the word mark “Vitromed” could successfully oppose a Union trademark application of a figurative mark prominently featuring the word element “VITROMED”, where both marks claimed goods in class 10 and contested mark additionally goods in class 5. The European Court of Justice (ECJ) agrees with the EUIPO’s Board of Appeals that found likelihood of confusion due to similar goods and visual and phonetical similarity of the marks.



The ECJ determined that the relevant public would be composed of English-speaking professionals with specific knowledge in the medical field spending a considerable degree of attention to goods.

When comparing each mark’s goods, the Union trademark was applied for among others in class 5 and 10:

Class 5: “Biological preparations for medical purposes; Biological tissue cultures for medical purposes.”; Class 10: “pipette [medical]; Pipetting devices for medical use; Pipetting instruments for medical use; Pipetting instruments for surgical use; Capillary tubes for delivering reagents; Capillary tubes for samples; Injection needles for medical use; Injection sleeves for medical use; Injection instruments without needles; Injectors for medical purposes; Capillary pipettes of plastic for medical purposes; Capillary tubes for medical purposes”

The earlier mark was registered for the goods in class 10 only, “Surgical, medical, dental and veterinary apparatus and instruments, in particular healthcare disposables and medical disposables, as far as contained in Class 10, suture materials”.

The ECJ ruled that all of the trademark application’s goods in class 10 were entirely included

in the goods of the earlier mark. The goods in class 5 were similar to the goods in class 10 because the specific goods were explicitly intended for medical purposes and therefore relate to the medical field.

The distinctive and dominant part of union mark application lies within the word element “VITROMED”, although the figurative element at the beginning was not negligible, unlike the very small word “Germany” in relation to the sign’s other elements.

ECJ derives visual similarity of the signs to a high degree because the signs coincide in the word element “VITROMED”. Due to its small size and lack of distinctiveness the word “Germany” has been treated as negligible in the contested sign. Due to its trivial design and smaller size in relation to the word element the figurative element in contested sign would not be able to divert the public’s attention away from the word element.

Phonetically as well the signs coincide in the letters “VITROMED”, while the figurative element of contested sign will have little or no impact to pronunciation. Given its small size and lack of distinctiveness the term “Germany” is negligible.

ECJ concluded a high degree of conceptual similarity as well, since the relevant public will associate the term “VITROMED” present in both signs with the terms “in vitro” and “medical”.

Finally, ECJ determined that earlier mark’s distinctiveness is weak.

In total, ECJ ruled that there was likelihood of confusion.

European Court of Justice
Case number: T-821/17

Jeannine Zorn
(Attorney at Law)

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Distinctiveness of the packaging of a pastry product



A European Union trademark application for the packaging of a pastry product as a three-dimensional trademark was filed. It was disputed whether the union trademark application in the represented shape, referring to pastry goods in class 30, contains sufficient distinctiveness. Distinctiveness means that the goods or services of one company can be differentiated

from those of other companies, thus enabling an association of the goods or services to the respective company. A distinctiveness was rejected in the present case as the shape of the packaging was absolutely standardized, its bright brown color is typical for raw packaging and the transparent window is also widely known within the sector. Therefore, significant distinctive features must be present. The relevant consumers cannot perceive the slight deviations as distinctive features.

EUIPO Board of Appeal
Case number: R 1489/2018-2

Vanessa Bockhorni
(Patent Attorney)

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ÖKO-TEST seal - Use without license is trademark infringement

In its decisions known as ÖKOTEST I and ÖKOTEST II (Ref.: I ZR 173/16, I ZR 174/16, I ZR 117/17), the German Federal Supreme Court of Justice (BGH) found that use of the well-known ÖKO-TEST seal without a proper license agreement with the trademark owner constitutes a trademark infringement.

The plaintiff has been the publisher of the magazine ÖKO-Test since 1985, in which it publishes its tests on goods and services. Since 2012, it has had a Union trademark which reproduces the ÖKO-TEST seal and is registered for "*consumer advice and consumer information in the selection of goods and services*". The plaintiff allows manufacturers and service providers to use the ÖKO-TEST seal under the condition of a license agreement against payment.

The defendants in the proceedings in question were mail order companies and had advertised in their shops with the ÖKO-TEST seal, referring partly to the specifically tested products and



partly to variations of these (e.g. in size, color). In the respective offers, the ÖKO-TEST seal was displayed with the name of the tested product, the respective test result and the place where the test

was published.

The plaintiff considered this to be an infringement of its Union trademark rights and claimed for injunction and reimbursement of the warning costs from the defendants. In the end, the plaintiff was successful in all three proceedings in the second instance. The BGH largely confirmed these decisions and dismissed the appeals in each case by declaring in each case the objectionable use of the ÖKO-TEST seal as an infringement of the plaintiff's rights under Art. 9 (1) sentence 1 and 2 letter (c) GMV (CTMR, Community Trademark Regulation) and Art. 9 (1) and (2) (c) UMV (Union Trademark Regulation).

Under these provisions, the trademark proprietor is entitled to prohibit third parties from using, in the course of trade and without his consent a sign which is identical with or similar to his Union trademark in relation to goods and services. This prohibitive right exists irrespective of whether the challenged sign is used for goods or services that are identical with, or similar to, the goods and services covered by the Union trademark. The decisive point is that the Union trademark is well-known in the Union and that the use of the sign without due cause takes unfair advantage of or is detrimental to the distinctive character or the reputation of the Union trademark.

The trademark has acquired a relevant reputation through the publication of the test results in connection with the ÖKO-TEST seal, a direct investment in the trademark itself is not necessary.

The BGH further affirmed the infringing use of the trademark: It assumed similarity of the signs, but not identity of the signs, as the protected "empty" test logo was supplemented by the details of the test object, the test result and the publication reference. It further stated that the services of consumer advice and information claimed by the trademark were dissimi-

lar to the respective commercial products of the defendant. However, in the overall assessment to be carried out in this context, the reputation of the mark and the high degree of similarity of the signs are such that, despite the difference of the goods/services concerned, a mental association of the logo as used by the defendants and the plaintiff's mark was to be assumed.

Finally, the challenged use of the respective sign would also have taken unfair advantage of the reputation of the plaintiff's mark without due cause: The plaintiff had put considerable economic efforts into creating and maintaining the reputation of its trademark, whereas the defendant had taken advantage of the mark's attractiveness and reputation without paying any economic compensation. Accordingly, the plaintiff's interest in controlling the advertising of others using its ÖKO-TEST seal with regard to its test-related standards had to be considered greater than that of the defendant in advertising its products using the plaintiff's test results.

German Federal Supreme Court of Justice
Case numbers: I ZR 173/16, I ZR 174/16
I ZR 117/17

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Pet Cuisine ./ The Pet CUISINE

The Proprietor of the figurative mark "The Pet CUISINE alimento para mascotas felices Genial" (EUTM 11912052) could successfully oppose the EU designation of an international registration of a figurative mark prominently featuring the word elements "Pet Cuisine", where both marks claimed goods in class 31.

Even the General Court (GC) of the EU agreed with the EUIPO's and the Board of Appeal's decisions that found likelihood of confusion due to similar goods and visual and phonetical similarity of the marks.

The opposition division as first instance determined that the relevant public would be composed of EU pet owners with an average level of attention. Since it was not proven that the contested goods are similar, complementary or in competition with medical or veterinary products, it could not be demonstrated that the relevant public would display a high level of attention, confirmed the Board of Appeal. The GC agreed with the Board of Appeal's earlier assessment that likelihood of confusion was even possible when the public was spending 'considerable attention' to goods if those were poten-

tial health hazards (par. 48) or benefits to their pets.

When comparing each mark's goods, the EU designation was applied for among others:

"seeds and agricultural products, not included in other classes; natural plants; foodstuff for animals, malt".

The earlier mark was registered for the goods "foodstuffs for animals".

The ECJ ruled that "seeds" are included in the broader category of "foodstuffs for animals" because for example "bird seeds" are a food for birds.

Because malt is frequently added to pet foods to increase its protein content and often sold via the same distribution channels as pet foods, it is also very similar to the category "foodstuffs for animals".

The distinctive and dominant part of the designated mark lays within the word element "Pet Cuisine", because the drawings of a cat and dog are directly descriptive for the goods in question.

For the part of the public understanding English the term "pet cuisine" alludes to the goods "foodstuff for animals", for the non-English speaking part of the public the term "pet cuisine" is fanciful.

The term "genial" in the earlier mark is a praising term and therefore non-distinctive, while the term "alimento para mascotas felices" means "food for happy pets". The latter is descriptive regarding the intended purpose of the goods for the Spanish-speaking public.

The ECJ therefore concluded that for the Spanish-speaking public the term "pet cuisine" is most distinctive. Furthermore, it is the most dominant element in either mark because of its central position and size in relation to the other elements.

The European Court of Justice (ECJ) derives visual similarity of the marks due to the common, dominant and distinctive element "pet cuisine", at least for the Spanish-speaking public.

Further, ECJ found an average degree of phonetic similarity for that part of the public that would pronounce the term "pet cuisine genial" but a high degree of similarity for that part of the public that would only pronounce "pet cuisine". Regarding the term "alimento para mascotas felices" ECJ concluded due to its significantly small size in relation to the other elements of the mark that the term would not be pronounced by the relevant public.

In conclusion ECJ found that the average degree of visual and phonetic similarity as well as the similarity of goods are in this case enough to establish likelihood of confusion.

European Court of Justice
Case number: T-46/17

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Unfair exploitation of esteem of a luxury watch

The Higher Regional Court based in Frankfurt, Germany, decided on the competitive imitation protection of a luxury watch, which is shown in the following:



plaintiff's luxury watch

The watch shown above is produced and distributed by the plaintiff in Germany. A competitor advertised a watch which was quite similar to the plaintiff's watch. The defendant's watch is shown in the following:



defendant's similar watch

The Higher Regional Court Frankfurt confirmed the first instance decision by the Regional Court, according to which the luxury watch a) has a competitive originality, b) is not weakened by third products and c) the defendant's watch is an anti-competitive identical copy.

a) In this connection, the Higher Regional Court stated that the plaintiff's luxury watch was quite elegant and had an overall impression which causes the impression of the housing and wristband being one single piece. The plaintiff's watch therefore has an average competitive originality.

b) The Higher Regional Court confirmed the Regional Court's decision that the competitive originality of the plaintiff's luxury watch is not weakened or does not fall away by pre-known designs. In this connection, the defendant did not submit reasons or proof. The fact that the competitive originality with respect to pre-known designs does not exist or exists to a limited extent, only, would have had to be demonstrated or substantiated with proof.

The decreasing amount of sold watches of the plaintiff, which are subject of the dispute, did not have any negative influence on the competitive originality. The principle applies that a competitive originality falls away when the characterizing design features of the original version have become common property, for example due to various copies. However, in terms of copies of jewelry or watches, one can assume at any time that the manufacturer of the original has commenced distribution again.

c) Only when looking more closely and directly comparing the two watches can the public recognize differences. Without this direct comparison, the defendant's watch is a nearly identical copy.

As for the facts of a deception of origin, there was still a certain familiarity at the time of the infringement action and at the time of the last oral proceeding, the Higher Regional Court confirmed the facts of an unfair exploitation of the esteem according to § 4 no. 3 lit.b German Act Against Unfair Competition.

Higher Regional Court of Frankfurt
Case number: 6 U 233/16

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Consequences of failure to file an application

The Arbitration Board of the German Patent and Trade Mark Office had to deal with an employer's failure to file an IP right application.

According to the German Employee Inventions Act, an employee has the duty to report an invention to his employer. After receipt of the notification of an invention, the employer must declare to the employee that he claims or releases the invention. If no declaration is made within four months, the invention is automatically considered to be claimed by the employer.

If the invention is claimed and exercised, the employee is entitled to reasonable compensation from the employee invention. According to the so-called monopoly principle, the amount of remuneration is measured by what the invention actually achieves in relation to the prior art. With the claim, however, not only the rights to the invention are transferred to the employer, but also the obligation arises under Sec. 13 (1) of the Employee Inventions Act (ArbEG) to immediately apply for an industrial property right. This should be a patent or a utility model, one or the other being more appropriate depending on the situation.

In the present case, the Arbitration Board has now clarified with the present ruling that an employer cannot release himself from his obligation by claiming that the invention is not patentable. In the opinion of the Arbitration Board, such an assertion would constitute an infringement of Sec. 13 (1) ArbEG. The decision

on the patentability of an employee invention can **only** be made by the German Patent and Trade Mark Office in the patent granting proceedings, or by the higher instances of the German Federal Patent Court or the German Federal Supreme Court in appeal proceedings, appeal on points of law proceedings, or nullity proceedings.

Thus, the Arbitration Board would always award a compensation to the inventor for damages resulting from the non-filing of the patent application. This is intended to place the inventor in the same position as if a patent was granted for the service invention.

We point out that an employer would **not** be liable to pay compensation in a case where the employee generally communicates an improved technical teaching to his employer without doing so in the form of an *invention disclosure*. In this case, the invention is the object of the work to be performed under the employment contract and is directly transferred to the employer's property. Under these circumstances application for industrial property rights is at the discretion of the employer.

Arbitration Board of the GPTO
Case number: 39/16

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No implicit invention disclosure in a Power-point presentation

In another dispute, the Arbitration Board of the German Patent and Trade Mark Office (DPMA) had to deal with claims of an employee based on an alleged service invention.

In this case, the employee had *orally* presented his development to employees and superiors in the company within the scope of a project, and by using PowerPoint slides. However, the inventor had not made it clear to his employer that he believed he had made a service invention in the process.

The Arbitration Board made it clear that the requirements of Sec. 5 (1) Employee Inventions Act (ArbEG) are to be strictly applied. The Board determined that in this case there was no valid invention disclosure which could be used by the employer as a normal work result. The use of the invention was compensated by the employee's salary.

It should be born in mind that late notification as a service invention by the employee is usually ineffective. This is particularly the case if the employer already delivers relevant products to customers without any obligation of secrecy, and thus starts using the invention. The obvious prior use by the delivery to the customers naturally makes the prospects of a patent application being granted null and void from the outset, so that for this reason, too, no claims for compensation would be enforceable.

Arbitration Board of the GPTO
Case number: 50/16

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