

Recent Case Law in German Trademark Law



2019

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FOREWORD

At EISENFÜHR SPEISER, trademark competence is pooled across the firm in the trademarks practice group. The attorneys-at-law and patent attorneys regularly exchange information regarding new developments in case law and practice. Together, the practice group draws on a wealth of experience of over 50 years. And our clients benefit from this.

For the 2019 case law review, the trademarks practice group has compiled and analysed a total of eight current decisions of relevance for practitioners in the field, with a personal assessment added by the respective attorney.

The decisions relate not only to infringement cases, but also to cancellation cases and cases concerning the eligibility of trademarks. Particular attention is drawn to the

changes in established case law regarding the place of jurisdiction for cross-border tort cases. The other decisions discussed in this review concern issues such as the validity of registered Community designs, the protection of geographical indications of origin, as well as the legal concepts of distinctiveness, genuine use as a trademark and the exhaustion of trademark rights. Questions concerning the requirements for protection of colour combination marks and the use of marks with weak distinctiveness are also discussed.

February 2020

EISENFÜHR SPEISER

I. INFRINGEMENT PROCEEDINGS

1. Place of jurisdiction in cross-border torts involving acts of infringement

ECJ, judgment of 05.09.2019, C-172/18 – AMS/Heritage Audio

BACKGROUND

When European Union trademarks (EUTMs) or registered Community designs (RCDs) are infringed by cross-border acts, this raises the question as to the country in which the holder of rights can sue for infringement of its rights. The relevant EU regulations ('EUTMR' and 'CDR') specifically stipulate that the place of jurisdiction can be the country where the infringer is domiciled, or, if the infringer is not domiciled in the EU, the country where the right holder is domiciled and where EU-wide infringement claims, in particular claims for injunctive relief, can be asserted.

The place of jurisdiction may also be any country 'in which the act of infringement has been committed or threatened', although if action is taken under that jurisdiction

rule, the seised court may only issue orders, in particular a prohibitory injunction, with effect for the respective country in which the court is located, and not with EU-wide effect.

In the case of cross-border infringements, such as an infringing offer sent by email from Member State A, the question arises as to the country which has the latter place of jurisdiction, i.e. jurisdiction in tort based on the place of the tort.

DECISION

The decision under discussion here was preceded by the ECJ's decision *Nintendo/BigBen* (judgment of 27.09.2017 in joined cases C-24/16, C-25/16). This case related to a question that was similar at the outset, namely identifying the applicable law for claims to damages in the specific case of cross-border infringements. Put simply, that question arose because infringement claims beyond the claim to prohibitory injunction are not regulated uniformly in the EUTMR and the CDR, but are subject to the respective national laws. In *Nintendo/BigBen*, the ECJ ruled that when acts of infringement are committed across several states, it is necessary to assess that behaviour in its entirety, rather than every single act of infringement, in order to determine the place where the original act of infringement giving rise to the conduct complained of was committed or threatened. This can also be understood as meaning that the place where the infringer physically acted is the decisive one,

even when the addressees are in another Member State, as in the case of online offers, for example.

That judgment subsequently induced the Federal Court of Justice to rule, in its *Parfummarken* decision (judgment of 09.11.2017, I ZR 164/16), that only the country where the place of infringement according to such an overall assessment of the conduct is located has competence for EU trademark infringements on the basis of tortious jurisdiction. More specifically, it ruled that when an offer is sent by email from Italy to Germany, the EU trademark courts in Germany have no international jurisdiction.

However, the ECJ has now opposed that ruling, fortunately and correctly, in the *AMS/Heritage Audio* decision discussed here. It establishes that, although the relevant rules on both the applicable law and the tortious jurisdiction are based on the place of action, the norms

are to be interpreted in accordance with their meaning and purpose – the aim of the norm governing applicable law is to make it easier for the holder of intellectual property rights to enforce those rights in cross-border situations, as the substantive legal issues can be assessed according to only one set of relevant national laws, thus allowing the complexity and expense of bringing in and applying a variety of national norms to be avoided. The situation is different with regard to the meaning and purpose of the rules governing the place of tortious jurisdiction, the aim of which is to give the proprietor of a European Union trademark or registered Community design an additional place of jurisdiction besides the others, and thus an additional option for enforcing his rights. There should

specifically be an option to bring an action where the addressees of the offers in question are domiciled, especially since the courts there can assess particularly well how the respective offers are perceived by those addressees. In the case of an Internet site, for example, the rights holder cannot know at all where the site was designed and placed, which means he is potentially unable, in effect, to use the tortious place of jurisdiction when offers are made online. It is sufficient, as a reason for the place of jurisdiction in a tort case, that an offer is (also) directed at addressees in the Member State in which the seised EU trademark court is located.

ASSESSMENT

The decision shows that, when such issues are involved, the ECJ rules in a manner that is friendly to holders of intellectual property rights. In the *Nintendo/BigBen* judgment, it made it considerably easier for holders of EU rights to enforce their annex claims efficiently. When the Federal Court of Justice believed it could restrict the available places of jurisdiction on the basis of that judgment – leading in the meantime to major uncertainties about Germany’s attractiveness as a place of jurisdiction for such actions – the ECJ promptly countered that interpretation

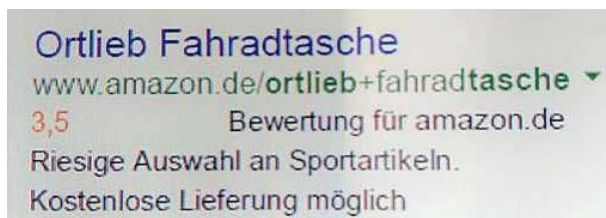
and clearly stated in its *AMS/Heritage Audio* judgment that no such restriction can be derived from *Nintendo/BigBen*, but rather that the country where the respective addressees of offers are domiciled is (still) available as a place of jurisdiction to proprietors of EU trademarks and RCDs. However, the mere fact that a website is accessible is not sufficient to establish a place of jurisdiction. What is required, instead, is that the website is clearly aimed at addressees in the respective Member State also. (Eberhardt)

2. Liability under trademark law for misleading links to third-party products on Amazon

Federal Court of Justice, judgment of 25.07.2019, I ZR 29/18 – ORTLIEB II

BACKGROUND

The plaintiff asserted rights deriving from the ORTLIEB trademark, which is protected for bicycle and handlebar bags. The action was brought against offers on Amazon for waterproof outdoor bags, offers that were created because of a Google search, on the basis of AdWords booked at Google. When 'Ortlieb Fahrradtasche' is entered, the following advertisement appears, for example:



If one clicked on the link, an advertisement then appeared showing not only various offers for bicycle bags from the ORTLIEB brand, but also third-party products from other brands. The offers of third-party products were not distinguished from those for ORTLIEB products.

DECISION

The Munich District Court and Upper District Court ordered Amazon to refrain from making these specific offers. The case was preceded by one involving the same parties that ended with the Federal Court of Justice judgment of 15.02.2018 (I ZR 138/16 – **ORTLIEB I**), which we reported on in last year's case law review. According to that judgment, Amazon is free to point to third-party products as well when the brand name ORTLIEB is entered in a Google search, as long as the alternative offers are clearly recognisable as such. The Upper District Court in Munich also took the same approach in its appeal decision in the present case, when it stressed that the offers of ORTLIEB products and those of third-party products were not clearly separated, but instead were presented in no particular order.

The Federal Court of Justice affirms the decisions handed down in the courts of lower instance, but on grounds that are more differentiated.

The Federal Court of Justice affirmed trademark infringement within the meaning of Section 14 of the Trademark Act, as the identical trademark ORTLIEB was used for outdoor bags by Amazon's links. The court deemed this to constitute use of the trademark, because the function of the trademark as an indication of origin is compromised: when 'Ortlieb Fahrradtasche' is entered, for example, the public expects its attention to be drawn to nothing but ORTLIEB products, i.e. to products that specifically match the specific search term that was entered.

In the view of the Federal Court of Justice, Amazon could not claim exhaustion of trademark rights within the meaning of Section 24 of the Trademark Act. Although exhaustion of trademark rights may arise, in principle, when third-party products are also advertised in connection with the offer of original products, the ORTLIEB products that were shown did in fact originate from ORTLIEB and were offered on Amazon by Marketplace sellers. If the

advertiser were deprived of the option to show third-party products in addition to ORTLIEB products, that would destroy any effective advertising on the part of Amazon. Amazon's interests must therefore allow advertising for third-party products as well, within the scope provided by the exhaustion of rights.

However, Section 24 (2) of the Trademark Act stipulates that the trademark proprietor may oppose any further marketing of its products 'for legitimate reasons'. The Federal Court of Justice recognised such a legitimate reason on the part of the plaintiff, however. Only the ORTLIEB brand name was specified in the search by the Internet user. By concatenating the terms 'Ortlieb' and

'Fahrradtasche' with a + sign in the URL, the Amazon advert shown above suggests that ORTLIEB products are shown there. However, that means the specific design of the advert is misleading, because the normally informed and reasonably attentive Internet user can assume that only ORTLIEB products will be shown when the link is clicked. By actually offering third-party products as well, Amazon was exploiting the advertising effect of the ORTLIEB trademark in order to offer third-party products in addition, thus removing any exhaustion of rights, by way of exception.

ASSESSMENT

Whereas the *ORTLIEB I* decision strengthens Amazon's position, such that reference to third-party products was also permissible as long as alternative offers were clearly distinguished from the original products, ORTLIEB's legal position in the upstream stage of the product offering is now strengthened by this new decision. Anyone looking for ORTLIEB branded products and who therefore enters the name of the brand in a Google search will expect to be shown original products. That expectation is frustrated when Amazon suggests on the offer page, by means of the advert opposed by the action, that by clicking on the advert the Internet user can actually arrive at ORTLIEB products only. A discrepancy is thus created between Amazon's overview page and the offer page that can be accessed with a click.

If Amazon does not want to mislead in this way, then in order to successfully claim exhaustion of trademark rights, it must already be clearly stated on the overview page, which serves as a kind of filter, that third-party products might also be offered when the link is followed.

Whether a trademark proprietor can sue for infringement, or whether the party offering third-party products can

claim exhaustion of rights, will largely depend on the individual circumstances of the case, i.e. on how the advertisement in question is designed. One cannot generalise, but the latest decision by the Federal Court of Justice, which elaborates on the *ORTLIEB I* decision, does underpin the rights of the trademark proprietor to exclusivity.

Transparency is the keyword, so to speak, if a product offering is to be permissible – so anyone who exploits the power of the trademark in order to mislead users expecting to receive offers relating to that trademark must also bear liability for doing so.

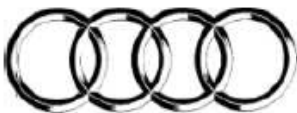
Other scenarios are also conceivable in which the legal interests of the trademark proprietor prevail, i.e. not only in the case of misleading advertising, but also when the reputation of a trademark is damaged if inferior third-party products are also shown in addition to the original products. This means that trademark proprietors do not have to tolerate everything, but can also assert their legitimate interests in situations where the fairness of advertising behaviour is compromised. (Ebert-Weidenfeller)

3. Use of a trademark to indicate intended use as a spare part

Federal Court of Justice, judgment of 07.03.2019, I ZR 61/18 – Kühlergrill

BACKGROUND

The plaintiff is a manufacturer of automobiles and automotive accessories, and is the proprietor of the word marks 'AUDI', 'A6' and the following European Union picture mark (hereinafter 'the picture mark'):



The defendant sells vehicle spare parts. On the Internet, it offered a radiator grille as a spare part for a particular Audi model. The offer bore the heading 'Kühlergrill Audi A6 C6 4 f Limo Kombi 04-08'. A picture of the radiator grille was also shown in the offer, with the following appearance:



The first picture is the picture shown in the online offer, the second is a picture of the radiator grille delivered to buyers. The latter was not made or placed on the market by the plaintiff, or with its consent.

Although the defendant signed a declaration to cease and desist, in response to a warning sent by the plaintiff, it refused to satisfy the secondary claims to information regarding the extent of infringement, to damages, reimbursement of costs and recall of the goods depicted. The plaintiff asserted those rights by bringing an action that was successful before the District Court and that was also upheld in the appeal instance.

The appeal on points of law before the Federal Court of Justice concerned the question whether the plaintiff's picture mark was infringed by offering and selling the depicted radiator grille.

The case has two special features:

The first is that it is not the trademark itself that is attached to the defendant's radiator grille, but only the fixture, visible on the pictures shown above, for mounting the trademark, namely the four Audi rings.

The second is that a spare part is involved, and that trademark law allows a third party's trademark to be used, within narrow limits, in order to indicate the intended purpose of a product as a spare part – Article 14 (1)(c) of the European Union Trademark Regulation (EUTMR).

The Federal Court of Justice affirms that the trademark is infringed.

A prerequisite for trademark infringement is that there is a likelihood of confusion. The criteria for such a likelihood are the similarity of signs (i.e. whether the sign being used and the protected mark are identical or similar), the similarity of goods (whether the goods covered by the mark are identical or similar to those for which the sign is used), and the distinctiveness of the earlier mark. The more strongly one of these characteristics is expressed, the more it can compensate for the weaker expression of another characteristic. These prerequisites are fulfilled here, in the view of the Federal Court of Justice.

The trademark is a well-known trademark that enjoys a high degree of distinctiveness. The trademark is also protected for spare parts for automobiles, so the goods are identical.

The signs are also sufficiently similar. Four rings are clearly recognisable on the picture shown in the online offer. Although not all the rings on the supplied radiator grille overlap, the four rings are clearly recognisable to a sufficient degree.

Another prerequisite for trademark infringement is the use of the mark as a trademark. Such use as a trade mark occurs when the sign being used also serves, at least, to distinguish the goods from one undertaking from those of another undertaking, in connection with the sale of goods. This is where the special feature that the radiator grille does not include the trademark, but instead a fixture for receiving the trademark, plays a role. In the view of the Federal Court of Justice, however, the design of the recess, which clearly indicates the four rings, is not necessary to attach the trademark to the radiator grille. The relevant public will therefore perceive the mounting fixture not only as a necessary means for attaching the

trademark, but also as an indication that the grille originates from the plaintiff's undertaking or from one of its licensees.

The defendant is not permitted to use the trademark by the exception provided in Article 14 (1)(c) EUTMR, either. The latter states that the EU trademark shall not entitle the proprietor to prohibit a third party from using the mark for the purpose of identifying or referring to goods and services as those of the proprietor of that trademark, in particular where the use of that trademark is necessary to indicate the intended purpose of a product or service, in particular as an accessory or spare part.

So the first prerequisite is that the sign being used serves to indicate that the intended purpose of the radiator grille is as a spare part. In the view of the Federal Court of Justice, it is possible that the rings that can be recognised on the radiator grille are perceived not only as a trademark (see above), but also as an indication of the intended purpose as a spare part.

However, the aforementioned exception requires that the chosen form in which the indication of purpose is made is necessary to indicate its intended purpose as a spare part. The Federal Court of Justice does not consider the design of the mounting fixture to be necessary in that sense. Stating in the offer that the intended use is as a spare part for some other product is generally necessary, but also sufficient, as an indication of intended purpose. The assumption can be made here that the spare part is only marketable if the trademark can also be attached to it, because only then can the vehicle be returned to the same visual state as before. However, it was clear from the parties' submissions that there was no technical necessity to design the mounting fixture for that purpose in such a way that the trademark remains so clearly recognisable, which means the exception allowed by Article 14 (1)(c) EUTMR does not apply in the defendant's favour.

ASSESSMENT

This decision by the Federal Court of Justice makes sense and is consistent with established legal practice.

The point of the aforementioned exception is merely to allow manufacturers of spare parts to inform consumers of the purpose for which the spare part is intended. As the law is interpreted, that information is to be limited to what is necessary, so that the interests of the trademark proprietor are protected. If it is clear, as in this case, that there is no technical necessity to design the mounting fixture for the trademark in such a way that the trademark is so clearly recognisable, then there is no reason to allow the spare part manufacturer or its sellers to use the trademark in that form. It could have confined itself to a fixture that allows the Audi rings to be mounted, without making them so clear beforehand.

In its grounds for judgment, the Federal Court of Justice also explained the difference from the decision in the

BMW-Emblem case (judgment of 12.03.2015, I ZR 153/14). In the latter case, the spare part was not a spare part on which the trademark was recognisable, but was the BMW badge as such – as if, in the present case, it was not the radiator grille that was being offered, but merely the Audi rings to be attached to it. In such a case, the product is exhausted in its representation of the trademark. This production purely of badges showing the trademark alone is the monopoly of the trademark proprietor that ensues from the exclusive rights conferred by the trademark, and is not limited by the exception specified in the EUTMR.

That is not the case here, however, because the radiator grille is clearly more than the embodiment and thus the reproduction of the trademark. (Kirschner)

4. A place in La Mancha whose name I do not wish to remember – unlawful reference to a protected designation of origin by figurative signs

ECJ, judgement of 02.05.2019, C-614/17 – queso manchego

BACKGROUND

Following an order for reference from the Spanish Supreme Court, the European Court of Justice had to rule on whether the use of figurative signs on cheese packaging can be an unlawful reference within the meaning of Article 13 of the Regulation on the protection of geographical indications and designations of origin for agricultural products and foodstuffs (Regulation (EC) No. 510/2006). Another question referred to was whether there is any relevance in the fact that the producer is domiciled in the relevant region of La Mancha, but the cheese it produces does not meet the product specification for the protected designation 'queso manchego'. The final point to be clarified concerned the relevant consumer groups.

In the end, the European Court of Justice interpreted the norm in Article 13 of the Regulation very widely in the interest of effective consumer protection and ruled that figurative signs alone are sufficient to evoke the protected designation of origin. On 18 July 2019, the Spanish Supreme Court applied that broad interpretation and consequently deemed the specific product packaging to be an unlawful evocation.

DECISION

The original plaintiff was the regulatory council responsible in Spain for protecting the 'queso manchego' PDO (protected designation of origin). The action was brought against a cheese producer established in the relevant region of La Mancha, but whose cheese does not meet the defined product specification. The cheese packaging did not include the designation 'queso manchego', nor any other words referring thereto. On the contrary – the case purely concerns the legal assessment of figurative signs that are typical for the La Mancha region. For example, a person on an emaciated horse, resembling the well-known novel character of Don Quixote and his horse, is depicted. As is well known, that novel play outs in the region of La Mancha. Landscapes with windmills and sheep can also be found on the packaging.

The legal issue that arises is whether the figurative signs alone constitute an infringement of Article 13 of the Regulation. That provision protects registered designations of origin against, to quote, 'any misuse, imitation or evocation'.

The Spanish courts of instance had ruled that there was no unlawful evocation and argued that, although the figurative signs did evoke the 'Don Quixote' novel and thus the La Mancha region, they did not evoke the protected designation 'queso manchego'. Associative expressions such as 'type' or 'style' were missing.

The European Court of Justice answered the questions referred to it by the Spanish Supreme Court differently, thus reiterating its position in favour of very extensive protection for protected designations of origin.

According to the wording of Article 13 of the Regulation, and the preamble thereto, 'any' evocation of a protected designation is sufficient. A designation can also be evoked by using figurative signs. Reference is made to the previous *Scotch Whiskey* (C-44/17 of 7 June 2018) and *Gorgonzola* (C-87/97 of 4 March 1999) decisions. In those judgments, too, the European Court of Justice had interpreted the scope of protection in broad terms.

The decision clarifies that

- it is possible for unlawful evocation within the meaning of Article 13 to occur through the use of figurative signs only;
- the Regulation does not make a distinction regarding whether or not the producer is domiciled in the region to which the protected designation of origin refers;
- the relevant consumers are those in the whole of the EU, and more specifically the consumers in the Member State (in this case Spain) where the relevant region is located (in this case La Mancha).

ASSESSMENT

The decision of the European Court of Justice underscores once again how broadly it wants to interpret the protection conferred by geographical indications of origin. Article 13 of the Regulation covers not only the direct or indirect use of the protected designation of origin itself, but also prohibits any evocation of it, which means that no associations with the PDO may be evoked. Any imitation, be it only by means of figurative signs, is therefore prohibited. It is irrelevant in that regard whether the producer produces in the region covered by the protected designation. Nobody may be given more generous treatment on account of their domicile, so the product get-up must be assessed independently of the place of production. That it suffices if associations are evoked among the consumers of the Member State in which the region of the protected designation is located adds further strength to this broad scope of application. In the case under consideration, it suffices that Spanish consumers recognise an evocation of 'queso manchego' cheese in the figure resembling Don Quixote and his horse, and in the windmills and sheep typical of La Mancha.

Due to its lack of competence in such matters, the European Court of Justice left open the question of whether Spanish people would associate the figurative elements with the region of La Mancha only, or also with the protected designation of origin 'queso manchego'. That is a

matter for the national courts to assess. However, the grounds of the decision suggested that there is a sufficiently clear and direct conceptual proximity between the figurative signs and the protected designation of origin, so it is not surprising that the Spanish Supreme Court subsequently affirmed that analysis.

This has far-reaching consequences for food producers. By handing down this decision, the European Court of Justice is reinforcing its previous rulings and strengthening the protection of registered geographical indications of origin. Associations must be avoided not only in the choice of words on food packaging. This latest decision clarifies, rather, that the use of figurative signs may suffice for unlawful evocation. As the understanding of consumers from the country in which the region is located is sufficient to affirm a breach of Article 13 of the Regulation, the reputation of a protected designation beyond its national borders is of no relevance.

Producers, therefore, should be precisely informed about which designations of origin are protected in the European Union. There are currently more than 1000 registered names. The 'DOOR' database of such names can be accessed using the following link: <https://ec.europa.eu/agriculture/quality/door/list.html?locale=de>. (Ehlers)

II. ELIGIBILITY FOR PROTECTION / CANCELLATION PROCEEDINGS

5. Consideration of unusual forms of use when assessing distinctiveness

ECJ, judgment of 12.09.2019, C-541/18 – #darferdas?

BACKGROUND

According to Article 3 (1)(b) of the Trademark Directive 2008 (now Article 4 (1)(b) of the Trademark Directive 2015), signs which are devoid of any distinctive character shall not be registered as trade marks.

The European Court of Justice (ECJ) had to answer the question, referred to it by the Federal Court of Justice, as to the extent to which the competent authority had to take the unusual use of a sign into consideration when

assessing the distinctiveness of such a sign. In the view of the ECJ, any use that is proven and of practical significance must be taken into consideration when examining for distinctive character. The referral from the Federal Court of Justice was the subject-matter of our commentary in 'Recent Case Law in German Trademark Law 2018'.

DECISION

The applicant for the trademark had applied to the German Patent and Trademark Office (GPTO) for registration of the '#darferdas?' sign for 'Clothing, in particular T-shirts; footwear; headwear' in Class 25. The GPTO rejected the application due to lack of distinctiveness. The Federal Patent Court upheld the decision on the grounds that the requested mark, when printed on the front of a T-shirt, for example, is viewed as a purely decorative element and not as an indication of origin, because it is obvious that the question ('Is he allowed to do that?') merely encourages reflection on the topic 'is he allowed to do that?'. In the appeal, the applicant for the trademark asserted that the Trademark Office and the Federal Patent Court were wrong to limit their examination to one possible form of use only, namely printed on the front of T-shirts, whereas the form of use common in the clothing industry, namely as a label sewn on the inside of garments, was erroneously ignored, despite the fact that precisely such a form of use could have established the distinctive character of the mark.

The Federal Court of Justice pointed out that, to acquire distinctive character, it is not necessary to examine every conceivable use of the sign as a trademark. It is sufficient,

instead, that a use be plausible and that there be practically significant possibilities of using the requested sign for those goods and services for which protection is claimed in such a way that it is easily understood by the public as a trademark. The Federal Court of Justice also referred to the *Deichmann* case (ECJ, C-307/11 P), according to which Article 7 (1)(b) of the Community Trademark Regulation (now Article 7 (1)(b) of the EU Trademark Regulation) could not be interpreted as requiring the Office for Harmonisation in the Internal Market (Trademarks and Designs) (OHIM), now the EUIPO, to extend its examination to uses of the requested mark that are not acknowledged to be the most likely. In that context, the Federal Court of Justice decided to refer the following question to the ECJ: 'Does a sign have distinctive character when in practice there are significant and plausible possibilities for it to be used as an indication of origin for goods or services, even if this is not the most likely form of use of the sign?'

The ECJ stated in this regard that a sign containing a hashtag (#) cannot be viewed from the outset as having no distinctive character. In fact, the examination of distinctive character must be carried out by the competent

authorities, taking into consideration the goods and services, the relevant public and all the relevant facts and circumstances in the specific case.

However, the ECJ established that, when filing the application, the applicant for a trademark does not have to indicate or even know precisely which specific use he intends to make of the trademark applied for, if it is registered. One of the reasons given by the ECJ was the protective period allowed for genuine use as a trademark to be shown. Only in light of the customs of the respective sector of the economy could the competent authorities assess how the trademark is likely to be shown to the average consumer. Those uses which are practically of no significance must be viewed as irrelevant, unless the applicant has provided concrete evidence which makes a use which is normally unusual in that sector more likely.

In the specific case under consideration, the ECJ acknowledged with reference to the clothing industry that it is common to attach the mark not only on the outside of the goods, but also on the labels sewn on the inside of them. In this case, the competent authorities must take both uses into consideration.

With regard to the *Deichmann* decision, the ECJ reminded the referring court that identical provisions in the directive to approximate the laws of the Member States relating to trademarks and in the regulation on the European Union trademark are to be interpreted in the same way. The ECJ also established that the approach taken in the *Deichmann* case is relevant only in those cases where it appears that only a single type of use is of any practical significance in the economic sector concerned.

The ECJ consequently established that Article 3 (1)(b) of the Trademark Directive 2008 (now Article 4 (1)(b) of the Trademark Directive) to approximate the laws of the Member States relating to trademarks must be interpreted to mean that when assessing the distinctive character of a sign for which registration as a trademark is sought, all the relevant facts and circumstances must be taken into consideration, including all the likely types of use of the mark applied for. In the absence of any other details, the latter are the types of use which may be of practical significance, in the light of customs in the economic sector concerned.

ASSESSMENT

If the registration authority refuses to register a sign as a trademark due to lack of distinctiveness, and confines itself thereby to a form of use it considers to be the most likely, without taking another likely and practically relevant form of use into consideration, then it is up to the applicant to show and prove, where relevant, that there are other types of use which indicate use of the mark as an indication of origin. Reference can be made in this regard to labelling customs in the respective sectors concerned,

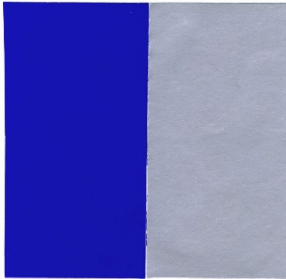
which may even be unusual. The less likely the claimed form of use is generally assessed, the more extensively this aspect should already be addressed, and supported with evidence (e.g. by market expertises), in the response to the first communication of objections. Until now, however, the Federal Patent Court has seen no reason to take the decision into consideration in those cases, of particular practical relevance, where the mark is suitable for descriptive use. (Dekker)

6. Ineligibility of a colour combination mark

ECJ, judgment of 29.07.2019, C-124/18 – Red Bull blau/silber

BACKGROUND

Red Bull GmbH was the proprietor of two EU trademarks, both of which claimed protection as colour marks for the following sign:



In the course of the trademark examination procedure, the proprietor submitted the following description for one of the marks: 'Protection is claimed for the colours blue (RAL 5002) and silver (RAL 9006) per se. The ratio of the two colours is approximately 50%-50%.' In the case of

the second trademark, Red Bull stated in response to a communication from the examiner that 'the two colours are used in the same proportion and alongside each other'.

Both trademarks were registered by the European Union Intellectual Property Office. Third-party applications were filed for the trademarks to be declared invalid due to lack of eligibility for registration pursuant to Article 7 (1)(a) and Article 4 of the European Union Trademark Regulation (EUTMR). Those applications were successful before the EUIPO, but the appeals filed by Red Bull against those decisions, and the actions brought before the Court of Justice of the European Union, were unsuccessful. The European Court of Justice (ECJ) now had to rule on the matter.

DECISION

In its introductory comments, the ECJ reaffirms its established legal practice – a precondition for registration of a European Union trademark is that it is submitted, in compliance with Article 4 EUTMR, in a manner that enables the subject-matter and scope of the protection sought to be clearly and precisely determined. If a verbal description of the trademark is enclosed by the applicant, in addition to the graphic representation of the mark, it must help to clarify the subject-matter and scope of the trademark protection applied for and must not contradict the graphic representation of the mark or give rise to doubts as to the subject-matter and scope of that representation.

The key point of departure for the ECJ's review was the **Heidelberger Bauchemie** case dating from 2004, in which it had ruled that a graphical representation of a mark consisting of a combination of colours must be arranged in

such a way that the colours concerned are associated in a predetermined and uniform way. At the time, it was stated in the description of the trademark that the colours could be combined 'in every conceivable form'. According to the ECJ, this was not sufficiently precise and uniform.

It was therefore necessary to examine whether such precision was shown by the descriptions submitted in the present cases. The ruling handed down by the General Court, that this is not the case, was affirmed by the ECJ – all that was stated in the description of the first mark was that 'the ratio of the two colours is approximately 50%-50%'. Even according to that description, the arrangement of the two colours allows numerous combinations and therefore does not include any arrangement according to which the colours are associated in a predetermined and uniform way.

This also applies to the second mark, where it was stated that the colours are used in equal proportion and juxtaposed to each other. This juxtaposition could also lead to different images or layouts that all keep to the same ratio.

This trademark, too, therefore, is not defined with sufficient precision.

ASSESSMENT

The ECJ has thus clarified (or increased) the requirements to be met by the graphic representation necessary for registering a colour combination trademark. That representation, either in itself or based on a submitted description, must provide a precise definition of the visual impression produced by the mark.

In the cases under review, one factor that certainly led to the appeal being refused was that Red Bull had presented numerous documents relating to use (because a colour combination mark must also, as a rule, be perceived by the relevant public as an indication of origin, due to intensive use thereof, otherwise there is no specific distinctiveness). If one looks at how the blue and silver colour combination is actually used on the cans of Red Bull, one will notice that they are arranged in four sectors of approximately equal size, with a slight inclination, and not, as suggested by the graphical representation of the marks, with 'blue on the left and silver to the right thereof, with vertical demarcation', but silver at the bottom left and top right, and blue at the top left and bottom right.

Nevertheless, there is no ignoring the fact that the specification 'the two colours are used in the same proportion and alongside each other' does indeed include a specific detail regarding their arrangement (namely alongside each other, as can be seen from the Figure with blue on the left and silver on the right) (it is different matter entirely whether such a colour combination trademark had acquired distinctiveness due to actual use on the Red Bull cans).

This decision (and before it the *Heidelberger Bauchemie* decision) imposes very strict requirements regarding the eligibility for registration of abstract colour combination trademarks. A requiem is already being sung in some cases for such abstract colour combination marks. When filing an application, close attention should be paid in any case to how precisely the colour combination is used and how it has acquired distinctiveness. A precise description should also be enclosed, therefore. If the colours actually have acquired distinctiveness in different combinations, thought may be given to registering several colour combination marks. (Brecht)

7. Relevant design corpus when assessing the validity of Community designs

ECJ, judgment of 06.03.2019, C-693/17 – BMB/EUIPO

BACKGROUND

This case related formally to the definition of a ‘design’ within the meaning of Article 3 a) of the Community Design Regulation (CDR), and in terms of content to the question as to which designs are deemed to belong to the design corpus.

According to the legal definition provided in Article 3 CDR, a ‘design’ is the appearance of the whole or a part of a product resulting from the features, in particular the lines, contours, colours, shape, texture and/or materials, of the product itself and/or its ornamentation. The definition of what constitutes a design is relevant for the question as to whether a particular ‘shape’ is eligible for protection by a Community design.

In the invalidation proceedings reviewed here, the question as to which ‘shapes’ fulfil the definition of a ‘design’ was of crucial importance for the decision, under a different legal aspect. The issue concerned which ‘shapes’ can provide the basis in the invalidation proceedings for examining whether there is any collision of designs. This is because a design has individual character only when the overall impression it produces on the informed user differs from the overall impression that an older ‘design’ in the public domain produces on that user. This means that only one ‘shape’, which likewise fulfils the requirements for a registered design, can be taken as a basis for comparison when examining for individual character.

The subject matter of the proceedings was the design reproduced below, which was registered as a Community design for ‘comfit boxes and containers’ in Locarno Class 09.03.



The applicant for a declaration of invalidity objected to that design on the basis of its IR trademark that had been protected for ‘sweets’ since 1974, inter alia in France, and the classification of which as a ‘design’ was a matter of dispute between the parties:



DECISION

The Cancellation Division and the Board of Appeal upheld the application for invalidation. The appeal to the General Court was also dismissed.

The present appeal to the ECJ on points of law contested the General Court’s analysis with the argument that the older design was a ‘figurative mark’. The General Court’s finding that the coloured sweets in the containers did not

affect the overall impression produced by the contested design was also challenged. It was also argued that the General Court was wrong in its finding that the two designs produce the same overall impression.

The ECJ upheld the judgment handed down by the General Court and dismissed the appeal with the argument that the appellant was ultimately contesting the factual

findings of the General Court, which cannot be challenged by an appeal on questions of law. The ECJ can only correct serious errors of law by the General Court, but no such errors are manifest here. The appeal of points of law does not allow a re-examination of the facts of the case. The ECJ thus shared the view taken by the General Court that the older design is a three-dimensional mark and, as a design, must form the basis for examination pursuant to Article 6 CDR. The applicant failed to convince the ECJ with its view that the mark was formally registered as a figurative mark and therefore was not a design. No objection could be raised against the General Court's

finding that the overall impression of the containers, which were registered as 'comfit boxes and containers' in Locarno Class 09.03, that is, without contents ('boxes and containers'), was not affected by the coloured sweets therein. Nor did the ECJ see any legal error in the way that the overall impression of the two designs were compared, so there was no objection to the comparison made by the General Court.

ASSESSMENT

This decision is confirmation that assessing the validity of registered Community designs and national designs raises complex questions, in that, besides earlier registered designs, it is also possible to cite, for example, patent drawings, technical drawings, real products or – as is now affirmed by the ECJ – registered trademarks as relevant design corpus.

The overall impression produced by the respective designs must generally be interpreted, and consideration must be given in the present case, for example, to the question whether the sweets inside the Community

design registered for 'comfit boxes and containers' in Locarno Class 09.03 affect its overall impression. The ECJ answered that question in the negative, rather surprisingly, on the grounds that the specified class performs a declaratory function only, and that the designs must basically be compared as registered, not only when examining for validity, but also in infringement proceedings. In its **Weinkaraffe** decision of 8 March 2012 (I ZR 124/10), the Federal Court of Justice affirmed this, arguing that partial design protection cannot be granted for a registered product comprising a combination of embodiments. (Förster)

8. Revocation of a European Union trademark due to lack of genuine use

ECJ, judgment of 31.01.2019, C-194/17P – Cystus

BACKGROUND

This ECJ judgment addresses the requirements to be met if use of a registered trademark that borrows heavily from the name of an active ingredient is to preserve the trademark rights.

The issue, more specifically, was whether the 'Cystus' trademark in question, whose modified form 'cistus' is

the scientific generic name of a plant, was used in accordance with its main function, or whether it was merely used in such a way that only the essential ingredients of the product being offered were designated by the name 'Cystus'.

DECISION

The decision related to cancellation proceedings due to the revocation of the trademark, which proceedings were initiated to check whether the 'Cystus' trademark had been put to genuine use. The 'Cystus' trademark was protected, *inter alia*, for 'Food supplements not for medical purposes' in Class 29. The proprietor had argued that the 'Cystus' trademark had been used, along with other product names, on various products.

The previous instances had found that the term 'Cystus' was derived from the plant name 'cistus', the main ingredient of which is used in the proprietor's products (e.g. lozenges, throat pastilles). It was also established that Latin expressions can mostly be written with an 'i' or a 'y', and that swapping those letters does not change how the respective terms are understood, or in this case how the term 'Cystus' is understood as a synonym for the 'cistus' plant.

In the case under consideration, the ECJ then affirmed that the specific way in which the term 'Cystus' is used

on the packaging of the trademark proprietor's products is merely an indication of the main ingredient of the products, which is obtained from the 'cistus' plant, as it was either combined with the term 'extract' or was named in the list of ingredients. The specific way in which the term was used was therefore unsuitable as an indication of commercial origin, but served, rather, as an indication of the ingredient in the products.

The trademark proprietor had argued that use as a trademark is also evident from its use of the ® symbol that was added to the term 'Cystus' in many cases. However, both the EUIPO Board of Appeal and the General Court argued that that reference alone is not sufficient for it to be concluded that the term had been used as an EU trademark, because the relevant public's perception is what counts. The ECJ agreed with the view taken in the previous instances, which meant it was necessary to examine precisely the specific way in which the ® symbol was being used in each case and to establish how the symbol is perceived by the relevant public.

ASSESSMENT

Trademarks in the health and nutrition field are often chosen in such a way that they either indirectly describe the ingredients of the respective products or are closely related thereto. If and insofar as such trademarks are deemed eligible for protection, the extent of protection that they confer is extremely limited in most cases. In the case of these trademarks, especially, it is important that they will be used in a way that ensures the relevant public perceives the mark as an indication of commercial origin and does not understand it merely as an indication of the ingredients. In practice, this means that such a trademark should not be mentioned in direct connection with the statement of active ingredients or contents, or be followed by certain additions indicating an ingredient. The perspective of the relevant public is always the important thing here, at the end

of the day. By cleverly placing the mark and giving the packaging an appropriate get-up, even very weak trademarks can be perceived by the relevant public as an indication of origin.

Relying solely on the ® symbol is not always sufficient to prove genuine use of a trademark. Since it is the specific way in which the mark is used that is important, rather, the trademark proprietor has the means available to influence how it is understood by the relevant public. This means that even a trademark with weak distinctiveness – with or without the ® symbol – can be understood in effect as an indication of origin. (Holderied)

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