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# NEWSLETTER

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IP NEWS FROM GERMANY AND EUROPE

September 2014

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## NEWS ABOUT US

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### Celebration of Kador & Partner's 40th anniversary

On July 11, 2014 we held a big party to celebrate our firm's 40th anniversary at our premises in Munich.

We were delighted to welcome guests from all over the world who together with our staff helped to make the party a most enjoyable event.



*Dr. Utz Kador telling us about the early days during our firm's 40th anniversary party*

During the party, our founder, **Dr. Utz Kador**, shared some insight on the early days of the

firm and on how it developed from its early beginnings into the internationally renowned IP law firm it is today.



*Our staff members' choir giving a song during the party*

### Training Course on European Patent Law in October 2014

As previously announced in a special edition of our Newsletter, you are kindly invited to an advanced training course on European IP Law taking place in Munich from October 10 to 18, 2014.

The course will begin with an overview of the European patent system and procedures, and will continue with an indepth treatment

of the following topics:

- assessment of novelty and inventive step under the EPC (Arts. 54 and 56 EPC),
- requirements of sufficient disclosure of the invention (Art. 83 EPC) and clarity of the claims (Art. 84 EPC),
- requirements of Art. 123(2) EPC (added matter),
- best practice in opposition and appeal proceedings, and
- infringement and litigation under European and German law.

Furthermore, an overview will be given of the new Unitary European Patent and the Unified European Patent Court, as well as the existing Community Trade Mark system.



*Participants of our course last year listening to one of the presentations*

During the course, participants will attend an opposition hearing at the EPO to experience such proceedings first-hand.

The lectures will be presented by Kador & Partner attorneys as well as by prominent IP professionals from the European Patent Office, private practice and industry, including **Mr. Robert Young**, former chairman of the EPO Board of Appeal 3.3.3 and member of the Enlarged Board of Appeal of the EPO,

**Dr. Ludwig von Zumbusch**, litigation specialist at Preu Bohlig & Partner, and **Dr. Jörg Dietz**, former IP litigation director of Novartis International AG.

Aside from work, a variety of social activities will be offered to participants, such as a trip to the famous castle Linderhof of Bavarian king Ludwig II., a sight-seeing tour of Munich and a trip to the picturesque lake Chiemsee.

For more information on the seminar and for a detailed description of both the lectures and the leisure activities please see our web page [www.kadorpartner.com](http://www.kadorpartner.com), under the “Seminar” link.

**We look forward to seeing you in October!**



*Part of our group before the beer drinking event in the Hofbräuhaus*

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## EUROPEAN PATENT LAW

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### ■ Introduction of a “top-up” search in the procedure under Chapter II PCT

Following the entry into force of new Rule 66.1<sup>ter</sup> PCT and amended Rule 70.2(f) PCT, any International Preliminary Examining Authority (IPEA) will conduct a “top-up” search to find prior art that was published or became

available to the said authority after the date on which the International Search Report (ISR) was established. The introduction of such a “top-up” search therefore adds to the value of the international preliminary examination procedure.

Accordingly, as of July 1, 2014 the European Patent Office (EPO) acting as IPEA will perform this top-up search at the start of the Chapter II PCT procedure. An express request by the applicant is not required as this new service forms part of the procedure.

The top-up search at the EPO will be based on the application documents available at the start of the Chapter II examination and will mainly focus on finding intermediate prior art documents that have become public since the international search was performed and that could become relevant under Article 54(3) EPC if the application enters the regional phase before the EPO. It will also cover prior art that was cited in national proceedings for the same application if such documents became available to the EPO in its function as IPEA. Any relevant documents found during the top-up search will be indicated in the International Preliminary Report on Patentability (IPRP).

### **New Cases G 1/14 and G 2/14 pending at the Enlarged Board of Appeal**

Both G 1/14 and G 2/14 concern legal issues as regards the filing of an appeal according to Art. 108 EPC. In **G 1/14**, the Technical Board of Appeal with interlocutory decision T 1553/13 referred the following question to the Enlarged Board of Appeal:

*“If, after expiry of the time limit under Article 108, first sentence, EPC a notice of appeal is filed and the fee for appeal is paid, is the appeal inadmissible or is it deemed not to have been filed?”*

In **G 2/14**, the Technical Board of Appeal with interlocutory decision T 2017/12 referred the following question to the Enlarged Board of Appeal:

*“Where a notice of appeal is filed but the appeal fee is paid after expiry of the time limit of Article 108, first sentence, EPC, is the appeal inadmissible or is it deemed not to have been filed?”*

#### **Our comment:**

*Although the referred questions may not be relevant for too large a number of cases, the answer will be highly relevant in cases where, for whatever reason, the notice of appeal has inadvertently not been filed and/or the fee for the appeal has not been paid in due time.*

*If in such cases the appeal is deemed to not have been filed (which was the finding in most cases in the past), appeal proceedings would be deemed to not have been installed and, accordingly, the decision of the previous instance (the Opposition Division or the Examining Division) would be deemed to become legally binding.*

*If, on the other hand, the appeal has “only” been held inadmissible, the appeal proceedings are deemed to have been installed so that, for example, the Board of Appeal will have to conduct oral proceedings and issue a decision in which the inadmissibility is expressed. Therefore, the decision of the previous instance will not become legally binding as long as the appeal is still pending. This can make a big difference for an applicant or a party to an opposition procedure.*

### **New Case G 3/14 pending at the Enlarged Board of Appeal**

Case **G 3/14** deals with important questions regarding whether or not the requirement

of Art. 84 EPC has to be examined during opposition and appeal proceedings.

In this case, Claim 1 of the Auxiliary Request of the patent proprietor consisted of a combination of the features of claim 1 as granted and dependent claim 3 as granted. Granted claim 3, however, encompassed the wording “substantially all of its surface area”, whereby the term “substantially” is problematic in view of Art. 84 EPC, namely whether the claim is clear. The jurisprudence of the Boards of Appeal appears not to be uniform on whether the requirements of Art. 84 EPC may be examined in such a case.

Of course, clarity (Art. 84 EPC) is not a Ground of Opposition within the meaning of Art. 100 EPC, and the provisions of Art. 101(1) and (2) EPC expressly limit the examination of the opposition to the grounds set out in Art. 100 EPC. However, under Art. 101(3) EPC the opposition division must revoke a patent which has been amended in opposition if it comes to the conclusion that the patent does not meet the requirements of the Convention. In previous decision **G 9/91** the Enlarged Board of Appeal stated that *“In order to avoid any misunderstanding, it should finally be confirmed that in case of amendments of the claims or other parts of a patent in the course of opposition or appeal proceedings, such amendments are to be fully examined as to their compatibility with the requirements of the EPC (e.g. with regard to the provisions of Article 123(2) and (3) EPC).”*

In some decisions, the common consensus was that the term “amendment” in G 9/91 was always to be understood as a substantial amendment and not a mere combination of the respective wording of the independent and dependent claims as granted. In other decisions, the Boards of Appeal found that independently of whether an amendment arises from incorporation of a feature from the description or from the combination of claims of the granted patent, clarity (Art. 84

EPC) shall be examined.

Therefore, the Technical Board of Appeal with interlocutory decision T 373/12 referred the following question to the Enlarged Board of Appeal:

- “1. Is the term “amendments” as used in decision G 9/91 of the Enlarged Board of Appeal (see point 3.2.1) to be understood as encompassing a literal insertion of (a) elements of dependent claims as granted and/or (b) complete dependent claims as granted into an independent claim, so that opposition divisions and boards of appeal are required by Article 101(3) EPC always to examine the clarity of independent claims thus amended during the proceedings?”*
- 2. If the Enlarged Board answers Question 1 in the affirmative, is then an examination of the clarity of the independent claim in such cases limited to the inserted features, or may it extend to features already contained in the unamended independent claim?”*
- 3. If the Enlarged Board answers Question 1 in the negative, is then an examination of the clarity of independent claims thus amended always excluded?”*
- 4. If the Enlarged Board comes to the conclusion that an examination of the clarity of independent claims thus amended is neither always required nor always excluded, what then are the conditions to be applied in deciding whether an examination of clarity comes into question in a given case?”*

**Our comment:**

*The answers of the Enlarged Board to these questions are awaited with great interest, because they will have an impact on a large number of current and future opposition proceedings. Very often, the patentee in opposition proceedings will file an amended set of claims to overcome objections brought forward by the Opponent and/or the Division*

*or the Board of Appeal, and very often the amendments to the main claim(s) consist in the incorporation of one or more of the granted dependent claims. Such amended claims are often attacked based on an alleged lack of clarity (Art. 84 EPC) in spite of the fact that this is not a ground for opposition.*

*In principle, the incorporation of one or more dependent claims into an independent claim forming a new claim should not be objectionable under Art. 84 EPC because, formally speaking, the combination of such claims has already been present in the granted set of claims and, accordingly, the “clarity” thereof should have been checked during the examination procedure already. This rationale has been followed by many Boards of Appeal decisions.*

*However, in other decisions it has been acknowledged that, due to the allowability of multiple dependent claims, the number of combinations of independent claims with dependent claims can be quite high and unclarity may only become apparent in light of the wording of the new, combined claim. Hence, such claims should be assessed as to their compliance with Art. 84 EPC also during the opposition procedure.*

*As, in our experience, combinations of claims often contain unclarity in the sense of Art. 84 EPC, the decision of the Enlarged Board of Appeal will be very important for many future opposition proceedings.*

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## EUROPEAN TRADE MARK LAW

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### **ECJ on Registrability of Trade Marks concerning Retail Trade Services**

On July 10, 2014 the European Court of Justice (ECJ) issued two preliminary rulings answering questions referred to it by the

German Federal Patent Court regarding the registrability of a trade mark for retail trade in services and a trade mark consisting of the depiction of the layout of Apple’s retail stores.

### **Trade mark protection for retail trade in services**

In case C-420/13 (Netto Marken-Discount vs. German Patent and Trademark Office) the ECJ had to decide whether Article 2 of Council Directive No. 2008/95/EC (concerning the approximation of the laws of the Member States relating to trade marks) allows registration of a trademark for retail trade in services (“the bringing together, for the benefit of others, of a variety of services enabling customers conveniently to purchase those services”) and to what extent such services need to be specified.

The ECJ had already declared (case C-418/02, July 7, 2005 – “Praktiker”) that services provided in connection with retail trade of goods can constitute services within the meaning of Article 2. Such retail trade includes, in addition to the sale itself of those goods, other activities of the trader, such as selecting an assortment of goods offered for sale, and a variety of services aimed at inducing the consumer to purchase those goods from the trader in question rather than from a competitor.

As to the retail trade in services the Court states in the new ruling that there are situations in which a trader selects and offers an assortment of third-party services so that consumers can choose amongst those services from a single point of contact, rendering, in particular, services designed to allow a consumer to conveniently compare and purchase those services as well as advertising services.

The Court considers that the service of “bringing together of services” and advertising services can fall under class 35 of the Nice Classification. The Court further concludes

that the provision of services which consist in bringing together services so that the consumer can conveniently compare and purchase them is covered by the concept of “services” within the meaning of Article 2.

The services that are brought together need to be identified in the trade mark application with sufficient clarity and precision, to allow authorities to examine the application and determine whether any of the grounds for refusal apply, in particular, whether the sign is descriptive of any of the services concerned. On the other hand, the Court stated that it is not necessary to specify in detail each of the activities making up the “bringing together service”.

### **Trade mark protection for a sign representing the layout of a retail store**

In the second case (C-421/13 – Apple v German Patent and Trademark Office) the German Patent and Trademark Office had refused to grant Apple’s IR mark consisting of a three-dimensional representation of its flagship stores protection in Germany, reasoning that it lacked distinctiveness.

In the appeal against this decision, the German Federal Patent Court tended to assume that the store design has features that distinguishes it from the usual layout of retail stores in the electronics sector, but asked the ECJ to confirm whether the sign is capable of constituting a trade mark within the meaning of Article 2 of the Directive.

The ECJ, cutting short the extensive considerations made by the Federal Patent Court, stated that in order to be capable of constituting a trade mark for the purposes of Article 2 the subject-matter of any application must be a sign, capable of being represented graphically and capable of distinguishing the goods or services of one undertaking from those of other undertakings. A representation which depicts the layout of a retail store fulfills

the first two conditions, without being relevant if it contains indications as to the size and proportions of the retail store.

Such a representation is also, in the abstract, capable of distinguishing the products or services of one undertaking from those of other undertakings. It is for the competent authority to assess – by reference to the goods or services in question and the perception of the relevant public – if the sign has distinctive character (which could be the case if the depicted layout departs significantly from the norm or customs of the economic sector concerned) and whether the sign is descriptive of the characteristics of the goods or services concerned or any other ground for refusal is applicable.

### **Trade mark protection for retailers who only sell their own goods?**

As in the above “Netto” case, the Federal Patent Court had also requested the ECJ to clarify whether the scale of protection afforded by a trade mark for retail services also extends to the goods (in the “Netto” case, services) produced (offered) by the retailer itself. The ECJ did not answer this question, considering that it bears no relation to the issue in the main proceedings.

The ECJ addressed the question whether services intended to induce the consumer to purchase the products of the applicant for registration can constitute services within the meaning of Article 2 of the Directive. In this regard, the Commission observed that the distinction made by the ECJ in the “Praktiker” case between the sale of goods on the one hand and retail services on the other cannot be transposed to a situation in which the trader does not assort and induce the sale of a variety of goods of other producers but where the sole objective of those services is to induce the consumer to purchase the products of the applicant for trade mark registration itself.

The ECJ declared that a sign depicting the layout of the flagship stores of a goods manufacturer may be registered not only for the goods themselves but also for services falling within one of the classes under the Nice Agreement concerning services, where those services do not form an integral part of the offer for sale of those goods. Certain services such as demonstrations by means of seminars of the products carried out in the shops can constitute remunerated services. In the above “Netto” case, the ECJ stated that the application for registration of the mark cannot be rejected on the sole ground that the assortment of services which the applicant intends to provide to the consumer could also include services offered or provided by itself.

It is therefore clear that the sign may be registered for “retail services” and other services which do not form an integral part of the offer for sale of those goods, even if the applicant could or intends to sell mainly or also its own goods and services.

**Our comment:**

*The question remains if the trade mark owner is actually using the mark for “retail services” or if it is in fact only offering its own goods.*

*Does the concept of “retail trade” imply that the goods offered by the retailer have to be exclusively or at least mainly goods of other manufacturers, for the retailer to be able to obtain trademark protection for these services? In other words, does someone offer “retail services” if the goods they offer are only or mainly their own goods? As this is not clarified, the owner of a mark registered for retail services who only sells its own goods does not know if it is actually using the mark for “retail services.”*

*The Federal Patent Court tends to consider that only retail trade in goods of other producers is capable of trademark protection. A trader assorts and sells the goods of others. The*

*activities related to the sale of the seller's own goods is covered by trademark protection for the goods.*

*In the “Praktiker” decision, the ECJ stated that “the objective of retail trade is the sale of goods to consumers. That trade includes, in addition to the legal sales transaction, all activity carried out by the trader for the purpose of encouraging the conclusion of such a transaction. That activity consists, inter alia, in selecting an assortment of goods offered for sale and in offering a variety of services aimed at inducing the consumer to conclude the above-mentioned transaction with the trader in question rather than with a competitor.”*

*Does “selecting an assortment” mean that the retail trader has to bring together goods from a variety of undertakings to form a range and offer them for sale from a single distribution entity, as suggested by the Federal Patent Court in its request for a preliminary ruling in the “Praktiker” case, or are Apple's activities in its retail stores which are closely linked to the sale of its own goods also considered “retail services”?*

*Despite the Federal Patent Court's efforts to get the ECJ to clarify this matter, we will have to wait until someone has the idea to file a cancellation request for non-use of e.g. Apple's mark for “retail store services” or Apple tries to rely on the mark in opposition or infringement proceedings and the Office or Court has to determine whether the mark has been genuinely used.*



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*Building Bridges*