



KADOR & PARTNER

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# NEWSLETTER

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August 2006

- European Patent Law: Decision of European Patent Office on protection of new modes of administration
- German Patent Law: Federal Supreme Court on interpretation of claims
- German Trade Mark Law: German trade marks “Fussball WM 2006” and “WM 2006” rejected

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## I. NEWS ABOUT US

### 1. Additional Support

We are pleased to announce that **Dr. Claus Schindele**, born in 1972, joined our firm in December 2005 as a patent attorney. Previously he



worked for a well-known intellectual property law firm and was mainly involved in the prosecution of European patent applications and opposition proceedings in the field of chemistry.

Dr. Schindele studied chemistry at the Ludwig-Maximilians-University of Munich. In his dissertation, he dealt with the applicability of allyl cations in organic synthesis. He spent several months at UCLA (Los Angeles, USA) as a visiting scientist. Dr. Schindele has expert knowledge of organic and pharmaceutical chemistry, polymer chemistry and physical chemistry.

### 2. Conferences and Meetings

#### ▪ LESI Conference Korea

This year's LES (Licensing Executive Society) International Conference took place in Seoul, South Korea. It was an ideal opportunity for more than 600 participants to discuss important issues concerning the licensing of trade marks and patents all over the world. **Dr. Kador** and **Ms. Barbara Regensburger** represented our firm at this meeting and were delighted by the perfect arrangement of the conference and the chance to discover a different culture. By the way, next year's LESI Conference will be held in Zurich, Switzerland.

#### ▪ INTA–OHIM Focus Group

At the INTA-OHIM Focus Group meeting in Alicante in January 2006, **Dr. Kador** was one of eight INTA representatives who met with 15 high-ranking officials of the Office for Harmonization (OHIM) in order to discuss important aspects of European trade mark law, especially the registration of descriptive terms, criteria of distinctiveness for three-dimensional trade marks and protection of well-known marks.

#### ▪ INTA Toronto

In May, **Dr. Kador** and **Ms. Sanna Heurung** travelled to the USA and Canada in order to meet clients and colleagues, and to take part in the INTA annual conference in Toronto.

As in previous years COMTAI (Community Trade Mark Initiative), an association of Munich attorneys where Kador & Partner is an active member, organized a harbour cruise on Lake Ontario at the occasion of the INTA conference. During this cruise, which offered a fantastic view of Toronto's skyline, attendees had the chance to test their knowledge of European Trade Mark Law in an entertaining trade mark quiz.

During the quiz, our colleague Ms. Sanna Heurung presented the case "Terre D'Italia". In this case, the Board of Appeal of the Office for Harmonization decided that the proprietor of a figurative trade mark including the words "Terre D'Italia" could as opponent prevent the registration of another figurative trade mark also containing the words "Terre D'Italia" due to the identity of these words in both trade marks, even though the opponent's application of the word mark "Terre D'Italia" had previously been rejected due to its descriptiveness. Would you have guessed?

Pictures of the cruise and the quiz are available under

[www.community-trade-mark.org](http://www.community-trade-mark.org).

### ▪ **INTA Roundtable on German Trade Mark Law**

It is always a great pleasure for us to host INTA Roundtables at our office in Munich. The speaker of our roundtable held in April 2006 was Ms. Marianne Grabrucker, Presiding Judge of the German Federal Patent Court. In her very vivid and informative presentation, Ms. Grabrucker informed us and 25 colleagues about “Recent decisions and developments of German Trade Mark Law”.

She focussed particularly on non traditional trade marks like smell and sound marks, holograms, abstract colours and tactile marks. After the lecture, a very interesting discussion between all of the participants evolved and we are happy that this kind of fruitful exchange of opinions between representatives of the Court and colleagues is possible. Pictures can be seen on [www.kadorpartner.de](http://www.kadorpartner.de).

### ▪ **INTA Roundtable on trade mark filings in China**

Another interesting INTA Roundtable took place at our office on June 13, 2006. We are very honoured that Ms. Na Li from Beijing gave a presentation on: “Specific advice and possible problems concerning trade mark filings in China”.

Ms. Li explained that it is of utmost importance to file trade marks both in Latin script and in Chinese script. The reason for this is that in everyday life such as in newspapers, brochures, etc., Chinese always refer to trade marks in Chinese script rather than Latin script because the latter would not be understood by Chinese readers. In this regard, it is important to check with Chinese colleagues in order to verify that the Chinese transliteration has a positive and desirable meaning.

Ms. Li reported that a great number of trade marks are filed in bad faith in order to block owners of famous trade marks in other countries from registering these trade marks in

China. Therefore, it is well advisable to file trade marks as soon as possible, even before putting a product on the Chinese market.

Finally, Ms. Li informed us on changes that are planned for Chinese trade mark law and explained that these are intended to facilitate trade mark filings as well as to improve the protection of registered trade marks in China.

## **3. Kador & Partner Activities**

### ▪ **Marathon Man**

Dr. Kador ran his first full marathon in Florence, Italy, in November 2005. The weather was cold and very rainy towards the end but he enjoyed it very much, nevertheless. He is already planning to take part in another marathon in autumn this year.

### ▪ **B2 RUN Firmenlauf**

As last year, 8 colleagues took part in this year’s Munich “B2 RUN Firmenlauf”, a shorter kind of marathon for members of Munich firms. The sporty Kador & Partner team successfully ranked place 664 out of 2126 teams.

### ▪ **Winter Fun**

In addition, some of our enthusiastic skiers and snowboarders of Kador & Partner spent a prolonged weekend in Austria together in March this year. Even though it was late springtime we had perfect snow conditions and a lot of fun.

## **II. EUROPEAN PATENT LAW**

### **1. Board of Appeal Decision T 1020/03 – “Protection for new modes of administration”**

According to well established case law of the Boards of Appeal of the European Patent Office based on Enlarged Board of Appeal decision G 5/83, second medical use claims (so-called Swiss-type claims: “Use of a

compound X for the manufacture of a drug for treatment of disease Y”) are available for new medical indications of a chemical substance/drug.

However, in several decisions by the Boards of Appeal<sup>1</sup> a second medical use claim which is distinguished over the prior art only by a new administration pattern has been rejected. The main stated reason was that the sole distinguishing feature – the new administration pattern – would be part of the non-commercial and non-industrial activity of the physician, who should be able to freely choose the best medication for his patient. Hence such claims would fall under the restriction of Art. 52(4) EPC, prohibiting inter alia the patenting of methods for treatment of the human or animal body.

Recent Board of Appeal decision T 1020/03 now decides that a claim in the format of a second medical use claim can never contravene Art 52(4) EPC as such a claim only protects the use of a chemical substance for the *production of a medicament*, but does not protect the act of medical treatment of a person/an animal in which this medicament is used. Hence, such a claim would not provide a basis for an infringement suit against a physician.

The Board further concluded that, accordingly, second medical use claims which contain as sole distinguishing feature a new administration pattern could be patented, provided, of, course, that the new administration pattern is novel and inventive over the prior art.

Although the conclusions given in present decision T 1020/03 are in clear contradiction to previous case law (and this was even stated in the decision at several instances), the Board has not referred the case to the Enlarged Board of Appeal, which would have been the appropriate measure. At least, the reasoning for the conclusions drawn is explained at length in

the decision (which extends over 66 pages!), so the motivation of the Board for the decision can be understood.

*Our comment:* The present decision opens up a new opportunity for applicants to protect a known substance in the medical field under the EPC. However, as contradicting case law exists, it remains to be seen, which position the Boards will take in future decisions. Ultimately, the question of whether a second medical use claim containing as a sole distinguishing feature a new administration pattern is allowable under the EPC is likely to be referred to the Enlarged Board of Appeal, e.g. by the President of the EPO.

*We have in detail studied the reasoning of the new decision and have come to the conclusion that probably the Enlarged Board of Appeal will follow this line of argument. Hence, we would encourage applicants to file applications which are based on a novel and inventive administration pattern of a (known) medicament.*

## **2. Enlarged Board of Appeal Decision G 3/04 – “Intervention of an infringer”**

In decision G 3/04, the Enlarged Board of Appeal of the European Patent Office addressed important aspects of the possibility and the prerequisites of an intervention, i.e. the possibility to take part in a pending opposition, during ongoing appeal proceedings.

Article 105 European Patent Convention (EPC) states that in the event an opposition to a European patent is filed, any third party who proves that proceedings for infringement of the same patent have been instituted against him, may intervene in the opposition proceedings even after the opposition period has expired, on the condition that this party gives notice of intervention within three months of the date on which the infringement proceedings were instituted and pays the opposition fee. However, the EPC does not provide specific regulations about intervention during appeal

<sup>1</sup> See e.g. decisions T 317/95 or T56/97

proceedings.

Some previous decisions referred to this question, e.g. decision G 4/91, where the Enlarged Board of Appeal decided that in a case where, after issue of a final decision by an Opposition Division, no appeal is filed by a party to the opposition proceedings, a notice of intervention which is filed during the two month period for appeal has no legal effect. Furthermore, in the decision G 1/94 it was held that intervention of the assumed infringer under Article 105 EPC is admissible during pending appeal proceedings.

However, in G 4/91 and G 1/94, it was left open whether a notice of intervention filed during appeal proceedings still has any legal effect if the only appellant withdraws his appeal.

Furthermore, there were diverging Board of Appeal decisions about the fees to be paid for an effective notice of intervention during appeal proceedings. In some decisions, payment of an opposition fee as well as an appeal fee was considered to be necessary, whereas other decisions considered the payment of an opposition fee to be sufficient.

In G 3/04, the Enlarged Board of Appeal has now addressed these legal questions. By making reference to a previous decision (G 9/92), the Enlarged Board of Appeal emphasized that appeal proceedings are terminated when the appeal has been withdrawn. Once the appeal has been withdrawn, there is no legal basis to continue the proceedings.

Furthermore, it was pointed out that, when filing a notice of intervention during appeal proceedings, the assumed infringer only acquires the status of an opponent but not the status of an appellant. Consequently, the Enlarged Board of Appeal decided that a notice of intervention filed during appeal proceedings has no legal effect when the only appellant withdraws his appeal.

Based on the arguments outlined above, the Enlarged Board of Appeal further came to the conclusion that an effective notice of intervention filed during appeal proceedings only requires an opposition fee to be paid but no appeal fee since the assumed infringer acquires only the status of an opponent.

*Our comment: This decision has brought legal certainty for parties wishing to join appeal proceedings initiated by another party.*

*It is positive that it will be possible for an assumed infringer to join appeal proceedings by merely paying an opposition fee and to be thus enabled to actively participate in the proceedings.*

*However, the present decision also makes it clear that should the only appellant withdraw his appeal, the assumed infringer will have to further pursue his interests in national cancellation proceedings.*

### **III. GERMAN PATENT AND UTILITY MODEL LAW**

#### **1. Recent Federal Supreme Court Decisions on interpretation of claims**

In two recent decisions<sup>2</sup> the German Federal Supreme Court (FSC) has used the opportunity to express its view on the question of how patent claims have to be interpreted according to § 14 German Patent Act/Art. 69 European Patent Convention in infringement proceedings.

In the patents underlying both cases mechanical devices were claimed, each being characterized by a plurality of features as described in the main product claims of those patents. The attacked embodiments did not show all features as required by the mere wording of the claims. However, the Higher

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<sup>2</sup> „Baumscheibenabdeckung“, FSC Dec. of October 25, 2005 – X ZR 136/03 and „Stapeltrockner“, FSC Dec. of November 22, 2005, X ZR 81/01

Regional Court (Oberlandesgericht, OLG) Hamburg (OLG Hamburg) had affirmed an infringement in both cases under the “doctrine of equivalents”. It found that the attacked embodiments realized all features of the claims, either directly or by equal-acting means, and based this finding mainly on a comparison of the features of the attacked embodiments and the patent claims one by one.

In particular, this approach of the OLG Hamburg was considered by the FSC not to comply with the rules on the interpretation of patent claims as established by the FSC in prior case law. It was emphasized in both decisions that, when assessing the question of infringement, first of all the meaning of the patent claims for the skilled person must be determined.

For doing so, the features of a claim must be assessed separately and their technical meaning must be determined. To this extend, the FSC confirmed the approach of the OLG Hamburg. Then, and this was emphasized in the present decisions, the *meaning of the claim emerging from the combination of its features* must be determined, because this meaning is the basis for assessing whether an attacked embodiment in fact infringes the claim. This had not been done sufficiently in the decisions of the OLG.

The FSC further pointed out that the separate assessment of the features in a claim may well be restricted to those features that are of particular relevance to the case and for which disputing interpretations are given by the parties. However, in such cases the overall context of the features must also be considered, because conclusions drawn on the content and meaning of separate features should only serve to finally determine the decisive meaning of the claim as a whole.

Only after determining the meaning of a claim in its entirety one can assess the scope of protection offered by the claim and subsequently answer the question of infringement, applying the doctrine of

equivalents.

The FSC further stated that for assessing the question of infringement under the doctrine of equivalents, in accordance with previous decisions a three-step approach has to be followed. In the first step one must assess whether the attacked embodiment solves the problem of the patent with equal-acting means, i.e. whether the effects of the patent are achieved by an alternative solution. In a second step it is evaluated whether one skilled in the art would have been able to find the alternative embodiment using his expert knowledge.

Finally, in a third step it is to be assessed whether the considerations that have to be made by a skilled person in order to arrive at an equivalent embodiment are indeed in line with the meaning of the claims such that one skilled in the art would have considered the equivalent embodiment as an equal solution.

*Our comment: The present decisions are in line with a number of previous decisions of the FSC on the interpretation of claims, especially in cases involving the doctrine of equivalents. The most important aspect of these decisions, which was emphasized by the Court, is certainly that for assessing the meaning of a claim, it is the claim in its entirety, i.e. the combination of its features, that is decisive. While the separate features and their particular meaning may and should of course also be considered, this always has to be done with regard to their contribution to the subject-matter of the claim as a whole.*

*Firstly, the present decisions give good guidance for the lower instance courts in Germany which tend to apply a too formalized approach to infringement matters by splitting up claims into their single features, as did the OLG Hamburg in the present cases. Secondly, the decisions also give good guidance for the practitioner for drafting an infringement suit or a defence to such a suit, by making clear that the focus must always be on the meaning of a claim as a whole.*

## 2. Federal Supreme Court on Utility Model comprising second medical use claim

In general, under the German Utility Model Act (§ 2 No. 3 GebMG), no protection for method or process inventions is available. Moreover, use claims are usually regarded as a sub-category of method claims and use claims may therefore not be protected by a Utility Model either. This also applies to so-called second medical use claims.

However, according to a recent decision of the German Federal Supreme Court (FSC)<sup>3</sup> it is now possible to register a Utility Model for the use of a substance for a new medical indication. The FSC stated in its decision that the second medical use claim, in spite of its wording, was not directed to the use of a substance, but to a new medical indication of said substance. This new indication limits the scope of protection of the substance. Thus, the second medical use claim is not to be regarded as a sub-category of a method claim, but rather as a limited product claim.

*Our comment: This decision changes the situation regarding the admissibility of use claims under the Utility Model Act completely. This decision only affects second medical use claims that were explicitly addressed. However, it will be interesting to see how this decision will influence the general view on the admissibility of use claims under German Utility Model Law.*

*It is now possible to obtain fast protection for the second medical use of a known substance in Germany. However, it should be noted that a German utility model is not examined as to novelty/inventive step and has a maximum term of 10 years only. Therefore, in order to obtain strong protection it is still advisable to file a patent application for the second medical use of a substance. However, a Utility Model may be useful as an accompanying measure, especially during the time the patent application is still pending.*

<sup>3</sup> Decision X ZP 7/03, dated October 5, 2005

## IV. EUROPEAN TRADE MARK LAW

### 1. Registration of national trade marks that are descriptive in another Member State

In the case C-421/04 the European Court of Justice (ECJ) gave a ruling regarding the important question of whether a term that is devoid of distinctive character or descriptive in one Member State may be registered in another Member State where said term is not devoid of distinctive character or descriptive.

The company Hukla as the owner of the Spanish national word mark MATRATZEN filed an opposition against a Community trade mark including the term 'MATRATZEN' of the company Matratzen Concord. Both trade marks sought protection for goods in class 20 including beds, mattresses and pillows. Due to the opposition filed by Hukla based on its Spanish trade mark, the Community trade mark of Matratzen Concord was refused.

In parallel with the opposition procedure before the Office for Harmonization (OHIM), Matratzen Concord brought an action for cancellation of the Spanish opposition trade mark MATRATZEN before the competent Spanish court. Matratzen Concord argued that the word 'Matratzen' means 'mattress' in German and was therefore generic and should be cancelled.

In the appeal proceedings of the cancellation action, the Spanish court considered that generic words from the languages of the Member States must remain available for use in these Member States and that monopoly positions arising from the registration of such generic terms as trade marks should be avoided. The Spanish trade mark MATRATZEN, however, could enable its holder to limit or restrict the import of mattresses from German-speaking Member States and could thus prevent the free movement of goods. The Court referred the case to the ECJ for a preliminary ruling.

The ECJ held that Article 3 of the First Directive does not prevent the registration of a

trade mark including a term that is devoid of distinctive character or descriptive in the language of one Member State as long as this Member State is not the state where registration is sought. In order to determine whether a national trade mark is descriptive or devoid of distinctive character, the perception of the relevant consumers has to be considered. Therefore, it is possible that a trade mark that is devoid of distinctive character or descriptive in one Member State is not devoid of distinctive character or descriptive in another Member State. Consequently, Article 3 of the First Directive does not preclude the registration of a national trade mark that includes a term “borrowed” from the language of another Member State where it is devoid of distinctive character or descriptive, unless the relevant consumers in the Member State where registration is sought are capable of identifying the meaning of the term.

*Our comment: From our point of view, this decision is critical in so far as it does not sufficiently consider that all Member States are part of the EU and that the trade mark laws of the different Member States must therefore take into account their consequences on the European market. In fact, if a trade mark is registered in one Member State despite its descriptive meaning in the language of another Member State, this trade mark may allow its owner to prevent the registration of Community trade marks including descriptive terms in addition to a distinctive term or design.*

## **V. GERMAN TRADE MARK LAW**

### **1. German trade marks “Fussball WM 2006” and “WM 2006” rejected**

In its decision of April 27, 2006, the German Federal Supreme Court (FSC) cancelled the trade mark “Fussball WM 2006” of FIFA. This decision was eagerly awaited not only by soccer fans but also by a broad public world-wide.

Following a request for cancellation, the FSC held that the trade mark “Fussball WM 2006”, filed for more than 850 goods and services, lacked distinctive character and was merely a common denomination for the corresponding sport event, as “Fussball” means “soccer” and “WM” is merely an abbreviation for “Weltmeisterschaft”, i.e. world cup. Consumers would thus consider this term to designate the sport event as such and would not gain the impression that all goods and services offered under that trade mark were produced or offered under the control of FIFA. As the element “Fussball”, i.e. “soccer”, created an unambiguous link to the soccer world cup, the term “Fussball WM 2006” was devoid of distinctive character for all goods and services, not only for those that are directly associated with the sport event by their nature, purpose of use or other characteristics.

However, regarding the trade mark “WM 2006”, the FSC did not see a similar complete lack of distinctiveness. The term “WM 2006” was considered to be devoid of distinctive character for all those goods and services with a connection to the soccer world cup. However, according to the FSC it could not be assumed that consumers would consider this term devoid of distinctive character for all goods and services as it was a mere combination of letters and numbers. The case was therefore referred back to the German Federal Patent Court (FPC) which had established a connection to the soccer world cup only in respect of some goods and services. The FPC will now have to reconsider which goods and services show a link to the soccer world cup.

*Our Comment: The fact that these two trade marks were registered in the first place was mostly met with incomprehension. The general perception was that these two terms should have been considered clearly descriptive and devoid of distinctive character and should therefore not have been registered at all. In particular traders hindered in using the terms “Fussball WM 2006” and “WM 2006” for*



*their goods and services, were adversely affected by the registration of these marks.*

*The decision of the FSC has now brought some relief to the concerned groups. However, some skepticism remains as it is unclear why, contrary to “Fussball WM 2006”, the trade mark “WM 2006” should only be cancelled for those goods and services which show a link to the soccer world cup.*