



KADOR & PARTNER

NEWSLETTER

June 2005

- European Patent Law: Decision T 1110/03 on postpublished documents as evidence in oppositions
- European Trade Mark Law: Decisions of the European Court of Justice on similarity of trade marks ("SAINT-HUBERT 41 vs. HUBERT"), and on registrability of slogans ("Das Prinzip der Bequemlichkeit")
- German Trade Mark Law: German Federal Supreme Court on the similarity of goods with respect to licensing agreements ("Ferrari Pferd")

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I. NEWS ABOUT US

1. CONFERENCES

▪ INTA 127th Annual Meeting in San Diego

The International Trademark Association's (INTA) Annual Meeting is one of the must-attend events in the intellectual property field. It encompasses skill building workshops, sessions, table topics, and not to forget the numerous cocktail receptions, where colleagues from all over the world can meet. This year's event took place from May 14 to 18 in San Diego, California. The meeting was held at the award-winning San Diego Convention Center, one of the world's most modern and technologically sophisticated convention and meeting facilities. Kador & Partner was represented by **Dr. Elisabeth Vorbuchner** and **Dr. Utz Kador**.

Utz is a member of the Community Trade Mark Committee of INTA. In addition to the committee meeting, an afternoon meeting was held between the committee members and officials from the European Trade Mark Office (Office for Harmonization in the Internal Market, OHIM). The OHIM was represented by President Wubbo de Boer and Vice President Alexander von Mühlendahl, as well as several other high-ranking members. The discussion touched on all of the important issues currently under debate, such as the reduction of official fees, the shortening of procedures for examination and opposition, the reduction of the backlog, as well as electronic filing. After the official part, a personal get-together with the officials of the OHIM to enjoy a glass of Californian wine ended this outstanding opportunity to gather the latest news and trends regarding European trade mark legislation.

As last year in Atlanta, the **CTM Advisory Initiative (COMTAI)** contributed to the INTA Conference and organized a boat trip at the San Diego harbor. COMTAI is an initiative of several experienced Munich attorneys for promoting the knowledge of the Community Trade Mark, and for demonstrating that Munich is a center, where competence regarding European trade mark law is situated.

The harbor cruise on the waters of San Diego Bay under the full Californian sun was most enjoyable. The event was topped with a quiz on trade mark issues. Utz, as a founding member of COMTAI, presented an opposition case for the quiz, which concerned the question of similarity between the marks IC₃S and IC³ (yes, they are similar!). For impressions, please take a look at the pictures on **www.community-trade-mark.org** and be sure to join us at the next INTA Annual Meeting in Toronto 2006!

▪ Asian Patent Attorney Meeting in JAPAN

From October 24 to 29, 2004, **Dr. Utz Kador** attended the Asian Patent Attorney Meeting in Fukuoka, Japan. There he had the chance to hear international lectures on the recent developments in the field of Asian Patent law and, of course, to meet colleagues from all over the world and exchange thoughts with them on current intellectual property matters.

2. LECTURE ACTIVITIES

▪ Innsbruck/Austria

In autumn 2004, **Dr. Bernhard Pillep** gave a lecture at the University of Innsbruck, Austria, concerning the topic of: "Strong Patent Protection for Strong Inventions". The primary objective of his talk was to inform the audience about how patents should be drafted in order to obtain the optimum patent protection, considering the latest case law of the Boards of Appeal at the European Patent Office. The talk was attended by representatives of start-up companies, in particular from the field of biochemistry, as well as by professors and students from the University of Innsbruck.

3. NEW TRAINEES

Dr. Andrew Hards, born 1974 in London, joined Kador & Partner in September 2004 as a patent attorney trainee.

In 1998 he completed his studies in chemistry with polymer chemistry at the Ludwig-Maximilians-University (LMU) in Munich and passed the diploma exams with distinction. He then spent half a year in Sapporo (Japan) at the Institute for Elec-

tronic Science conducting research for his diploma thesis in the field of nucleotide supramolecular chemistry. On returning to Munich, Andrew continued in science with a dissertation at the LMU physical chemistry department. He thereby constructed a new set-up for the combined manipulation and optical detection of single DNA molecules and was awarded the PhD degree (Dr. rer. nat.) in 2004.

Andrew is bilingual in German and English. Furthermore, he is fluent in French and has a good understanding of Japanese.

Furthermore, in January 2005, **Ms. Trevina Naidoo**, joined our firm on a training program from her company, SASOL-Technology, based in South Africa. Trevina completed her bachelors and honours degrees in chemistry and applied chemistry at the University of Natal in Durban, South Africa. She is currently completing a masters degree from the University of Cape Town, with specialisation in the field of catalysis, and a law degree from the University of South Africa. She has worked at SASOL as a senior scientist at their research and development facility near Johannesburg, and as a trainee in their intellectual property division. Trevina joins us for a period of six months at our office in Munich in order to learn about European and International patent work.

4. INTA ROUND TABLES

We are pleased to announce that the next Non-US INTA Roundtable in our office will take place in summer 2005. The lecturer, Dr. Senta Bingener from the German Patent and Trade Mark Office will speak about the current changes regarding the new Examination Guidelines before the German Patent and Trade Mark Office. This will be an important event for us and our colleagues to gather all the relevant information at first hand and to discuss the resulting changes thereof.

5. NEW HOMEPAGE DESIGN

The representation of a law firm via its internet presence is an important portal by which clients and IP-interested people can learn more about the background and the activities of a firm. We would

like to inform you that we have recently updated the design of our homepage. The page is, of course, still at www.kadorpartner.de. It may be worth a look!

II. EUROPEAN PATENT LAW

1. Decision T 1110/03 on postpublished documents as evidence in oppositions

In decision T 1110/03 (published in OJ 5/2005, p. 302 to 311) the Board of Appeal was called to provide a ruling inter alia on the question of how far documents filed in an opposition proceeding may serve as evidence for showing lack of novelty/inventive step if they are published only after the priority date of the opposed patent.

In the intermediate decision under appeal, the Opposition Division had refused to consider the content of five documents, which had been filed and their relevance substantiated in due time, for the sole reason that they were published after the priority date of the patent. The Board now ruled that such a purely formal approach relying entirely on the publication date of a document as the decisive criterion for its admittance into the proceedings is not appropriate. The Board summarized its view in the headnotes of the decision:

I. When evaluating evidence relating to the issues of novelty and inventive step, it is necessary to distinguish between a document, which is alleged to be part of the **state of the art** within the meaning of Article 54(2) EPC – in the sense that the document itself is alleged to represent an instance of what has been made available to the public before the priority date of the opposed patent – and a document which is not itself part of the state of the art, but which is submitted as evidence of the state of the art or in substantiation of any other allegation of fact relevant to issues of novelty and inventive step.

II. In the first situation, a document is **direct evidence** of the state of the art; its status as state of the art cannot normally be challenged except on authenticity. In the second situation, a document is also **evidence**, albeit **indirect**; it provides a basis for an inference about, e.g. the state of the art,

common general knowledge in the art, issues of interpretation or technical prejudice, etc. – an inference which is subject to challenge as to its plausibility.

III. Only a document of the first kind can be disregarded on the sole ground that it is postpublished; documents of the second kind do not stand or fall by their publication date, even on issues of novelty and inventive step.

Our Comment: In the present decision, the Board takes an adequately differentiating view on the question of whether documents published only after the priority date of an opposed patent should be taken into account, when deciding on the question of patentability. This decision correctly rejects the formal approach as commonly exercised, according to our experience, by many Opposition Divisions. It is an adequate decision, because e.g. documents showing the general common knowledge such as textbooks or review articles describe and summarize *past* developments. Hence, they may very well serve as evidence for the state of the art before their respective publication date.

This decision will be highly beneficial for many pending and future opposition proceedings in that it enables fair decisions as regards novelty and inventive step, simply because important knowledge can no longer be ignored for the sole reason that it is evidenced by a document published after the priority date of the patent.

2. Decision T 1091/02 on transfer of opponent status

A recently published referral to the Enlarged Board of Appeal, **T 1091/02**, deals with the transfer of the opponent status, a problem which may even lead to the inadmissibility of an appeal if certain prerequisites are not considered (see OJ 1/2005, p.14 to 40).

The factual situation in T 1091/02 may be described as follows:

An opposition by Akzo Nobel N.V. had been filed against a patent of Hoffmann-La Roche AG. This opposition was filed in the interest of Akzo Nobel's European diagnostic business, which was conducted on its behalf by Organon Teknika B.V., a 100 % affiliate of Akzo Nobel N.V. at the time of

filing of the opposition. During the opposition proceedings, Organon Teknika B.V. was sold to bioMérieux S.A., and the name of Organon Teknika B.V. was changed to bioMérieux B.V..

After rejection of the opposition, an appeal was filed in the name of bioMérieux B.V. A declaration relating to the transfer of business signed by representatives of Akzo Nobel N.V., bioMérieux B.V. and bioMérieux S.A. was submitted with the notice of appeal. It was now the question, whether this appeal was admissible or not.

In principle, and according to Art. 107 EPC, the right to appeal a decision is restricted to the adversely affected party in the proceedings. If an appeal does not comply with Art. 107 EPC, the Board of Appeal must reject it as inadmissible (Rule 65 (1) EPC), unless the deficiency has been remedied before the relevant time limit laid down in Art. 108 EPC.

Thus, it had to be determined, whether bioMérieux B.V. was a party to the opposition proceedings when the appeal was filed or at least when the time limit for filing the appeal expired. Therefore, the alleged opponent status of bioMérieux B.V. depended on whether the substantive and formal requirements for a transfer of the opponent status had been fulfilled.

The EPC does not contain explicit provisions relating to the substantive and formal requirements for the transfer of an opponent status.

However, some older case law exists, namely G 4/88, in which it had already been decided by the Enlarged Board of Appeal that the universal successor in law may acquire the opponent status. Moreover, it was held in that decision that an opposition pending before the European Patent Office could be transferred or assigned to a third party, as part of the opponent's business assets, together with the assets in the interests of which the opposition was filed.

In several subsequent decisions, the conditions under which G 4/88 accepted a transfer of opponent status were regarded as indispensable (see e.g. T 670/95, point 2; T 298/97, points 7.1, 7.2 and 12.2; T 870/92, point 2; T 1137/97, point 3;

T 659/92, point 2; T 711/99, point 2.1.5). Hence, the transfer of opponent status requires the transfer of the relevant business or of a part of it.

It should be mentioned that decision G 3/97 (point 2.2) lends some support to this case law, since it considered that an opponent does not have a right of disposition over his status as a party.

However, the legal situation as decided in G 4/88 differs from that in T 1091/02 insofar as Organon Teknika B.V. was a separate legal entity and not a mere commercial division of Akzo Nobel N.V.. Consequently, Organon Teknika B.V. could have filed an opposition in its own name.

The key question to be decided is therefore, whether a transfer of opponent status is only possible in the narrow exception of G 4/88 or whether a transfer would be possible also in other situations.

T 1091/02 highlights several aspects relating to the substantive and formal requirements for the transfer of opponent status and takes into account general principles such as equal treatment of opponent and patentee, legal certainty and procedural efficiency as well as interests of the parties involved and of the general public. As a conclusion of these considerations, the Board of Appeal is inclined to accept a transfer of opponent status when the original opponent sells and assigns a subsidiary to whose business the opposition pertains, even though this subsidiary had legal capacity and therefore could have filed the opposition on its own behalf.

These findings, however, are in contrast to decision T 711/99, where it was held that the opponent status can only be transferred together with the assignment of part of the commercial activity of an opponent with sole legal authority, where the transferred company division or department does not have that status and therefore lacks legal personality.

Due to this divergence in the case law, the following questions have now been referred to the Enlarged Board of Appeal:

1.(a) Can an opponent status be freely transferred?

(b) If question 1.(a) is answered in the negative: Can a legal person who was a 100 % owned subsidiary of the opponent when the opposition was filed and who carries on the business to which the opposed patent relates acquire opponent status, if all its shares are assigned by the opponent to another company and if the persons involved in the transaction agree to the transfer of the opposition?

2. If question 1.(a) or (b) is answered in the affirmative:

(a) Which formal requirements have to be fulfilled before the transfer of opponent status can be accepted? In particular, is it necessary to submit full documentary evidence proving the alleged fact?

(b) Is an appeal filed by an alleged new opponent inadmissible, if the above formal requirements are not complied with before expiry of the time limit for filing the notice of appeal?

3. If question 1.(a) and (b) is answered in the negative:

Is an appeal admissible, if, although filed on behalf of a person not entitled to appeal, the notice of appeal contains an auxiliary request that the appeal be considered filed on behalf of a person entitled to appeal?

Our comment: As T 1091/02 tends to weaken the requirements for the transfer of the opponent status, it can be expected that, at least, the present requirements will not become more rigid, due to the prospective decision, which will be issued by the Enlarged Board of Appeal.

However, for the time being, in the case that business activities are transferred from one company to another during opposition proceedings, it is advisable that the company originally involved in the proceedings also files the appeal note and the grounds of appeal, even if the business has already been transferred. This provides enough time afterwards for the submission of evidence necessary for the proof of the business transfer.

3. Important Amendments to the Implementing Regulations and the Rules relating to Fees

On December 9, 2004, the Administrative Council of the European Patent Organization has made

certain decisions amending the Implementing Regulations to the European Patent Convention (EPC) and the Rules relating to Fees (RFees). Important changes are as follows:

Rule 44a EPC: A new Rule 44a EPC shall apply to European patent applications and international applications entering the European phase, filed on or after July 1, 2005. According to this new Rule, the European search report shall be accompanied by an opinion on whether the application and the invention to which it relates seem to meet the requirements of this Convention, unless a communication under Rule 51, paragraph 2 or paragraph 4, can be issued. This opinion shall not be published together with the search report.

Rule 51 EPC: The period in Article 51(4) shall now be non-extendable. This amended Rule shall apply to European patent applications in respect of which a communication under the existing Rule 51(4) EPC has not yet been despatched by April 1, 2005.

Rule 108 EPC and Article 2, item 3c RFees: The following new paragraph 4 shall be added to Rule 108:

“(4) Designation fees in respect of which the applicant has dispensed with notification of the communication under paragraph 3 may still be validly paid within two months of expiry of the applicable time limit, provided that within this period a surcharge is paid.”

The new Rule 108(4) EPC shall apply to international applications entering the European phase for which, on April 1, 2005, not all designation fees as prescribed in Rule 107(1)(d) EPC have been validly paid and the time limit provided for under that Rule has not yet expired.

Article 2, items 2 and 6 RFees: The search fee in respect of a European or supplementary European search shall be increased to 960 EUR and the fee for an international search shall be increased to 1,550 EUR. Furthermore, the examination fee shall be reduced to 1,280 EUR. However, in the case of an international application, for which no supplementary European search report is drawn up the examination fee will remain 1,430 EUR.

These new amounts shall apply to European patent applications and international applications entering the European phase, filed on or after July 1, 2005.

Article 2, items 12 and 13 RFees: The fee for further processing has been increased to EUR 200 and the fee for re-establishment of rights has been increased to EUR 350. The new amounts shall be binding on payments made on or after April 1, 2005. Within six months after April 1, 2005, insufficient payments in this respect will be deemed to be sufficient if the deficit is made good within two months of a respective notice by the European Patent Office.

Article 10 RFees: Article 10 shall apply to European patent applications filed on or after July 1, 2005, and shall be amended to read as follows:

“(1) The search fee paid for a European or supplementary European search shall be fully refunded if the European patent application is withdrawn or refused or deemed to be withdrawn at a time when the Office has not yet begun to draw up the search report.

(2) Where the European search report is based on an earlier search report prepared by the Office on an application whose priority is claimed on an earlier application within the meaning of Article 76 of the Convention or an original application within the meaning of Rule 15 of the Convention, the Office shall refund to the applicant, in accordance with a decision of its President, an amount which shall depend on the type of earlier search and the extent to which the Office benefits from the earlier search report when carrying out the subsequent search.”

4. Accession of Latvia to the EPC

On 5 April 2005, the Government of the Republic of Latvia (LV) deposited its instrument of accession to the European Patent Convention (EPC) and to the Act revising the EPC of 29 November 2000.

The EPC will enter into force for Latvia on 1 July 2005. The European Patent Organisation will thus comprise the following 31 member states as from 1 July 2005:

Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Monaco, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey and the United Kingdom.

III. EUROPEAN TRADE MARK LAW

1. Decision of the ECJ on likelihood of confusion

On October 12, 2004, the European Court of Justice (ECJ) issued a decision on the opposition case SAINT-HUBERT 41 vs. HUBERT (case C-106/03 P). HUBERT had been applied for as a word and device mark by France Distribution for i.a. goods in the classes 29 and 30. An opposition against the registration of HUBERT was subsequently filed by Vedral S.A. based on the prior French registration of the word mark SAINT-HUBERT 41. The opposition was directed against goods in the classes 29 and 30, namely milk and milk products, as well as sauces and vinegar.

The Opposition Division, as the first instance, rejected the opposition. Following this, the First Board of Appeal dismissed the appeal filed by Vedral. It considered in its decision that although there was a high degree of similarity between the goods in question and although the reputation of the earlier mark as demonstrated by Vedral could be taken into account, there was no likelihood of confusion between the conflicting marks, because they did not display a strong similarity.

Before the European Court of First Instance (CFI), the OHIM maintained that at the date of its decision, evidence for the reputation of the prior mark had not been furnished. Therefore, the assessment of likelihood of confusion had to be made without regarding the alleged national mark's reputation. The CFI held that the goods were similar, but that the visual, aural and conceptual differences would be sufficient to exclude a likelihood of confusion between the marks. The CFI came to these findings even though Vedral and the OHIM had agreed on at least a phonetic similarity between the conflicting

marks.

In its appeal to the ECJ, Vedral S.A. relied on three grounds: Firstly the CFI had breached a general principle of Community law, according to which it is up to the parties to delimit the subject matter of a case. In spite of this principle, the CFI had held that there was no similarity between the marks although the OHIM and Vedral S.A. had already agreed that there was at least a phonetic similarity. Secondly, the CFI had infringed the rights of the defence, when it failed to deal with the legitimate expectation that it would accept that the parties delimit the scope of the appeal. Thirdly, the CFI had infringed the concept of likelihood of confusion within the meaning of Article 8 (1) (b) CTMR.

The ECJ rejected all three grounds for the following reasons: On the first ground, the ECJ held that even on the supposition that the parties delimit the scope of argument applied in this case, it did not apply where the OHIM was the defendant and the proceedings were to resolve a dispute between the opponent and a claimant for registration. The CFI was not bound by any agreement. On the second ground, the ECJ held that even if the OHIM and Vedral S.A. had agreed to the scope of the argument, the CFI was not bound to this agreement and therefore had the duty to determine, whether the OHIM had acted in accordance with Regulation EC 40/94.

Finally, the ECJ held that the CFI was correct in denying likelihood of confusion between the conflicting marks after having found that there was no similarity between the marks. In such cases where no similarity is found, likelihood of confusion cannot be given, whatever the reputation of the earlier mark may be and regardless of the degree of similarity of the goods.

Our comment: It is interesting to note that in the view of the ECJ, the fact that Vedral and the OHIM agreed on the similarity between the conflicting marks did not bind the CFI, which had the duty to determine by itself, whether there was any similarity of the signs. This corresponds to the German view that higher instances such as the Federal Patent Court and the Federal Supreme Court are not

bound by the opinions of previous instances on legal questions, such as the similarity of trade marks.

Furthermore, it should be noted that the ECJ does not readily assume a likelihood of confusion between contentious signs if one of the trade marks in question shows additional elements creating a different overall impression of the marks, even though the corresponding elements of the trade marks are in fact identical.

2. Decision of the ECJ on the registrability of slogans

Using slogans to promote a company's product is not a new concept, and thus the question often arises, as to whether such slogans can be registered as a trade mark. The German Patent and Trademark Office and the German Federal Patent Court have always maintained the opinion that advertising slogans are not registrable as trade marks. The Office for Harmonization in the Internal Market (OHIM) generally has a more liberal stance.

Finally, in October 2004, the European Court of Justice (ECJ) handed down its long-awaited judgement in the case OHIM vs. Erpo Möbelwerke GmbH (case C-64/02 P) on the distinctiveness of slogans. In the decision, the ECJ also points to a possible approach on how such slogans should be examined.

In the case itself, Erpo Möbelwerke applied to register the Community Trade Mark "DAS PRINZIP DER BEQUEMLICHKEIT", translated into English as "The Principle of Comfort", in respect of various goods, inter alia land vehicles (class 12) and household furniture (class 20). The application was rejected by the Examiner on the grounds that the mark was a mere advertising slogan, which was devoid of any distinctive character under Article 7 (1) of the Council Regulation (EC) 40/94. The Board of Appeal upheld the refusal as far as land vehicles and furniture were concerned and argued that the mark was a promotional slogan, which did not display any element of imaginativeness or "*conceptual tension which would create surprise and so make a striking impression*".

Erpo Möbelwerke appealed to the Court of First Instance (CFI), who overturned the OHIM's re-

fusals. The CFI essentially rejected the requirement for imaginativeness or the lack of an additional element of originality. The CFI confirmed that it is not appropriate to apply criteria to slogans, which are stricter than those applicable to other types of signs. Moreover, the CFI was arguing that the OHIM had not provided any evidence that the slogan "Das Prinzip der Bequemlichkeit" is used in business communications, in particular advertising, by third parties and so could not support the allegation that

the slogan lacked distinctive character. The CFI thus allowed the registration.

The OHIM itself appealed to the European Court of Justice (ECJ) and argued that the CFI was wrong to rule that a slogan was distinctive, because the assessment of inherent distinctiveness should not take into account if other traders are using the applied for slogan.

The ECJ agreed that the CFI reasoning was incorrect, but not that the error should result in a refusal of the slogan. The ECJ stressed that the correct test for whether a mark of any kind, including slogans, is devoid of distinctive character, was to ask whether the mark would make it possible to identify a product for which registration is applied, as originating from a given undertaking, and therefore to distinguish the product from those of other undertakings. Accordingly, the ECJ found that the contested judgement of the CFI was vitiated by an error of law, but that the error had no influence on the outcome of the dispute. The slogan was finally registered.

Our comment: In our opinion, the ECJ ruling is straightforward and takes a liberal standpoint with concern to the registrability of advertising slogans as Community Trade Marks. Brand owners should thus be encouraged to file Community Trade Mark applications for their slogans, because the registration of a slogan as a trade mark, effective throughout the entire European Union, is certainly the best means to prevent competitors from using the same or similar slogans for promoting their products.

3. Decision of the ECJ on three-dimensional torch shapes

The European Court of Justice (ECJ) has finally rejected the applications concerning five three-dimensional trade marks for torches by the company Mag Instrument Inc. (case C 136/02 P).

The OHIM's examiner initially refused the applications on the ground that the marks applied for were devoid of any distinctive character under Article 7 (1) (b) CTMR. This decision was upheld by the Second Board of Appeal of the OHIM and by the Court of First Instance (CFI), which ruled that the marks applied for only indicated to consumers that the products were torches, but did not enable consumers to differentiate the torches in question from those of other undertakings.

In its decision of October 7, 2004, the ECJ ruled that Mag Instrument's seven grounds of appeal against the judgment of the CFI were all unfounded and/or inadmissible. According to the ECJ, the CFI had correctly considered the overall impression of the marks. In particular, the ECJ found that it could *"prove more difficult to establish distinctiveness in relation to such a three-dimensional mark than in relation to a word or figurative mark"*.

The more closely a shape resembles the shape of the relevant products, the more likely it would be considered to be lacking distinctiveness. Moreover, the Court said that

"only a mark which departs significantly from the norm or customs of the sector and thereby fulfils its essential function of indicating origin, is not devoid of any distinctive character".

Mag Instrument had presented evidence of consumer perceptions to the CFI, including examples of confusion. The company argued before the ECJ that this evidence had been neglected by the lower court. However, the ECJ ruled that such evidence *"related to the perception of the marks in question by consumers at a time when the torches had already been put on the market for many years and when consumers were thus accustomed to their shape"*.

Thus, the evidence failed to show that the marks had distinctive character within the meaning of Article 7 (1) (b) of the CTMR. Therefore, the evidence was only "capable of establishing that those

marks could become distinctive in consequence of the use made of them for the purpose" of Article 7 (3) of the CTMR. In upholding the CFI's decision, the ECJ indicated that the lower court was entitled to use its own judgment in assessing applications such as Mag Instrument's, even if that means reaching a different conclusion from that of expert witnesses. Mag Instrument had criticized the CFI ruling for "basing its reasoning only on general propositions, which are unsupported by any evidence"; in particular, in its finding that the shapes in question are common, that the average consumer is accustomed to them and that they are commonly found in trade. But the ECJ noted that the Second Board of Appeal had already considered this evidence, arriving at the same conclusion and also that "the members of the CFI are themselves consumers for whom torches are familiar objects".

Our comment: In our opinion, this decision is well in line with the previous decisions concerning three-dimensional marks. It shows again that although it is often emphasized that the criteria for assessing the distinctive character of three-dimensional marks are not different from those applicable to other categories of trade marks, it might prove quite difficult to get a three-dimensional trade mark registered, if the mark does not deviate significantly from that what is assumed to be the "norms or customs of the sector", a question which is always decided by the judges themselves.

4. Electronic filing of Applications

The OHIM offers the possibility to file Community Trade Mark applications electronically. This service enables the on-line application for a Community Trade Mark, thereby providing several advantages, the most beneficial being the acceleration of the entry into the registration process.

Furthermore, the OHIM intends to reduce the costs for e-filing applications from EUR 975.00 to EUR 600.00. We will be glad to carry out on-line applications for our clients as soon, as the reduced fee is effective, so that our clients can enjoy the benefits of this reduction.

IV. EUROPEAN DESIGN LAW

1. First decisions on the invalidity of Community Designs

Since April 2003, Community Designs can be registered at the Office for Harmonization in the Internal Market (OHIM) in Alicante. The registration of Community Designs enjoys increasing popularity, not least because the European Union was enlarged on May 1, 2004 by the accession of ten additional member states, thereby significantly increasing the territorial protection of Community Designs.

Furthermore, on June 1, 2004, a new German design law entered into force to harmonize national law with the European directive on designs. Thus, in the last two years, protection of designs has experienced considerable changes, both on the European and the national level. In the following, we will briefly comment on the possibility of requesting the invalidity of a Community Design.

The OHIM does not only register Community Designs, but also has to decide on requests for the declaration of invalidity of registered Community Designs. For this purpose, Invalidity Divisions have been established in the OHIM to decide on invalidity requests filed by Third Parties.

To provide a few examples for grounds of invalidity, a Community Design can be declared invalid: if it does not comply with the legal definition of a "design", if it lacks novelty or individual character over designs, which have been made public before the filing date of the Community Design, or if the design constitutes an unauthorised use of a work protected under the copyright law of a Member State.

In April 2004, the first decision on an invalidity request was announced by the competent Invalidity Division. In the meantime, nine decisions have been issued, resulting in a declaration of invalidity for five Community Designs. In most of these cases, the request was based on a lack of novelty and/or individual character. When discussing the requirements for individual character by comparing the features of the Community Design with those of earlier designs, the Invalidity Divisions emphasized that the functionality of the product covered by the

Community Design has to be taken into consideration. It was argued that the basic structure of a device is simply the consequence of its functionality (i.e. a specific technical effect to be achieved) and imposes specific restrictions on the designer in developing the design. Therefore, the informed user focuses his attention on features, which are not necessarily implied by this function and, consequently, deviations in these features are more relevant for the assessment of individual character.

Since the OHIM Invalidity Divisions have just started to take decisions on requests for the declaration of invalidity, a well-established case law has still to be developed. We will continue to carefully observe the OHIM decisions on Community Designs and will inform our clients about new and interesting legal developments in this field.

V. GERMAN TRADE MARK LAW

1. "Ferrari Pferd" – German Federal Supreme Court on the similarity of goods with respect to licensing agreements

In this decision (BGH Urt. v. 19.2.2004 – I ZR 172/01), the German Federal Supreme Court (FSC) ruled that in order to determine the similarity of goods, only such goods can be taken into consideration for which the respective trade mark has been registered. A grant of licenses for other goods does not affect the scope of the similarity of goods.

The plaintiff in this case owns three trade marks that show a rearing horse and are registered for motor vehicles and parts thereof. The plaintiff had allowed other undertakings to use these trade marks for merchandising products. The defendant distributes steering wheels and pedals for the steering of computer games labelled with a "T" also showing a rearing horse.

The FSC first stated the accepted principles, according to which, in particular, the kind and the intended purpose of use of the goods have to be taken into consideration for the evaluation of the similarity of goods, as well as their use and their nature as competing or complementary products. Furthermore, attention has to be paid to the fact, whether the goods are regularly produced by or

under the control of the same undertaking or whether they show points of contact in the distribution process.

Based thereon, the FSC declined a similarity of goods, in particular because steering wheels and pedals as accessories of computer games for motor vehicle journeys and car races could not be considered to be complementary products for motor vehicles and parts thereof. This merely general connection would not suffice to constitute a similarity of goods. Furthermore, a similarity of goods could not be based on the assertion of the plaintiff that the plaintiff and an affiliated company had granted licenses with respect to computer games and accessories such as steering wheels and pedals for the simulation of car races. The FSC held:

„For the evaluation of the similarity of goods only these products can be taken into consideration on the part of the plaintiff that the trade mark is registered for. The grant of licenses for other products than for those protected by the trade mark does not indicate a similarity of goods. The publicity of a trade mark for goods other than those within the range of similarity of goods can also be the subject of trade mark rights. The grant of the respective rights to market these products does not affect the similarity of goods.“

According to the FSC, the public is often confronted with such marketing concepts and will therefore not assume that the products in question would be produced by or under the control of the plaintiff. Whether the plaintiff reserves the right to carry out a quality control in the plaintiff's merchandising agreements, when such a right is unknown to the public, could also not influence the similarity of goods.

The FSC then remanded the case to the appellate court, because the similarity of signs could not be excluded and the appellate court therefore had to decide whether the plaintiff could prohibit the defendant from using the trade mark, due to a similarity of the signs and the reputation of the trade mark "Ferrari" even though there was no similarity between the goods.

Our Comments: The ruling by the FSC that the scope of protection for a trade mark does not ex-

tend to goods not contained in the list of goods and services by the mere fact that a licensing agreement exists for those goods is consistent with the law/case law. This even applies to famous trade marks such as "Ferrari". Naturally, the basis for these licensing agreements is the reputation of the mark "Ferrari". It can thus be expected that the appellate Court will decide that, based on the reputation of "Ferrari", the scope of protection of the mark is extended to goods beyond the area of similarity with the registered goods. Thus, the extension of scope desired by "Ferrari" would be achieved, albeit, based on a different, more justified reason.

2. BRELAN/Rilan – Refusal of the objection for non-use because of tardiness

In this case (BPatG, Beschluß vom 20.1.2004, 24 W(pat) 121/02), the applicant of the opposed trade mark BRELAN had contested the use of the opposing trade mark Rilan in its entirety. The opponent furnished documents showing that a total revenue per year of over Mio. 2 DM had been achieved in the years 1997 to 1999 for certain goods sold under this trade mark. In reaction thereto, the applicant only maintained the objection for non-use for those goods, for which no evidence had been furnished. However, in the oral hearing during appeal proceedings in 2004, the applicant again raised the objection for non-use in full, among other things because the documents as submitted by the opponent in 1999 did not show, which part of the revenue had been achieved in Germany. The German Federal Patent Court (FPC) refused this objection because of tardiness.

The FPC held that it was not important that the proof of use as delivered by the opponent only referred to the years 1997 to 1999 and that use of the trade mark in the last five years preceding the opposition decision had therefore not been demonstrated as required by Section 43 subsection 1 of the German Trademark Act. The Court stated further that even though a certain retention had to be shown when future periods of use are concerned, in the present case, the applicant had not only confined himself to agree that the use of the trade mark as shown by the opponent was undisputed, but had, without any reservations, limited his objection for

non-use to certain goods. Accordingly, in this case, there would be no room for the assumption that future periods of use shall not be affected by the concession or the merely partially maintained objection for non-use.

The FPC further ruled that the applicant could have picked up the objection for non-use in its entirety, however, in the oral proceedings in the year 2004, the respective objection had been raised too late. According to the FPC, this tardiness resulted out of a grossly negligent behaviour of the applicant and would have led to a delay of the case that was otherwise ready for decision. The applicant would have had enough time to clarify further actions after the decision of the Patent Office in the year 2000 that was also based on the fact that the use of trade mark Rilan was no longer contested for certain products.

Our Comments: This decision again shows which pitfalls can arise with respect to the objection for non-use if the proceedings continue for a longer period of time. We therefore recommend not to limit an objection for non-use at all (even if evidence is filed by the other party) and to raise the objection again at an early stage of the proceedings.

VI. GERMAN INTERNET LAW

1. Mho.de¹ – registration of a domain in the initial phase of an undertaking

Since 1995, the plaintiff used the abbreviation „MHO“ for “Marien Hospital Osnabrück”, among other things, on letter heads and in telephone books. In the year 1998, the defendant registered the domain “mho.de” for its undertaking and has since used the term “mho” as an abbreviation for “Medienhaus Osnabrück” for the development of databases.

In its decision, the German Federal Supreme Court (FSC) assumed that the plaintiff had acquired a right with respect to the company sign “MHO” by the use of that sign. However, the plaintiff could not seek an injunctive relief, pursuant to the German Trademark Act, because the respective fields of activity of each party were so different that there

was no similarity of services.

The FSC then examined a possible infringement of the right of the plaintiff with respect to the plaintiff’s name according to Section 12 of the German Civil Code and established that the scope of protection for a name, as provided by Section 12 German Civil Code does, as a rule, did not reach further than the protection for a company sign. The protection as provided by Section 12 German Civil Code can only reach as far as adverse effects on business interests of the undertaking are to be expected. For example, such adverse effects are in principle to be feared in the case of the registration of a domain by an unauthorized user, because this registration excludes the authorized person from the rightful registration and use of the respective domain. The FSC then ruled:

“However, an exception has to be made if the registration is the first step towards a – by itself unobjectionable – begin of the respective use as company sign.”

As a general rule, the owner of an identical company sign can not prevent undertakings in other industries from acquiring rights with respect to this sign by use thereof. When a right to a sign has been acquired, other undertakings must also tolerate the registration of the respective domain.

The FSC remanded the case to the appellate court, because it had not been established, whether the defendant had acquired any right with respect to the company sign “mho” or “mho.de” before or shortly after the registration. Therefore, the FSC continued:

“If these requirements are fulfilled, both parties independently possess rights pertaining to the term “mho” or “MHO” that, with respect to the different areas of activities of the parties, do not lead to a collision. Under these circumstances, the defendant would be entitled to use this name and could therefore register the name as a domain irrespective of the question of whether the defendant’s right to use that name is older than the respective right of the other authorised user of that name.”

In other words, as in the protection of a company sign, according to the German Trademark Act, the protection of a name is not granted, irrespective of

¹ BGH Urt. v. 9.9.2004 – I ZR 65/02

a similarity of the goods and services.

Our comments: As a consequence of this decision, the owner of a trade mark or company sign cannot prohibit the registration of an identical or similar domain by a company offering different goods or services, even if the new undertaking is still in the initial phase and has therefore not acquired any rights relating to the company sign corresponding to the registered domain name. We therefore recommend to proceed with the registration of domains, which are of current or future interest as soon as possible, to ensure that the desired domain is still available when required.