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Germany

INTELLECTUAL PROPERTY

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This country-specific Q&A provides an overview of intellectual property laws and regulations applicable in Germany.

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GERMANY

INTELLECTUAL PROPERTY



1. What different types of intellectual property rights exist to protect: (a) Inventions (e.g. patents, supplementary protection certificates, rights in trade secrets, confidential information and/or know-how); (b) Brands (e.g. trade marks, cause of action in passing off, rights to prevent unfair competition, association marks, certification marks, hallmarks, designations of origin, geographical indications, traditional speciality guarantees); (c) Other creations, technology and proprietary interests (e.g. copyright, design rights, semiconductor topography rights, plant varieties, database rights, rights in trade secrets, confidential information and/or know-how).

(a) Technical inventions are protectable in Germany by:

- German Patents
- German Utility Models
- European Patents (EP)

If validated for Germany, EPs afford the same legal protection as a German patent

- Unitary Patents (UP)

UPs afford uniform protection in the most relevant EU member states, including Germany

(b)

- German / EU Trademark

Possible types of trademarks: word, figurative, word/figurative, 3D, colour, sound, position, motion, multimedia, hologram, collective marks and certification marks.

- German use marks

Use marks arise from gained public reputation due to intensive use of a sign as a mark on the German market.

- Company names
- Work titles
- Indications of geographical origin

(c)

- German and EU Designs

Shapes of goods or parts thereof, which are novel and have distinctive character

- Copyright

Individual creations of literature, written works and drawings, architecture, music, dance, etc.

- Creations with copyright-like protection

Photographs, Motion pictures, databases, computer programs (e.g. source code)

- Trade Dress

Under specific circumstances, goods and services with individual character enjoy protection from unfair copying

- Trade Secrets

Protection of technical information that is sufficiently described and identified, has commercial value, is not generally known to the public, and is protected by adequate measures of secrecy

- Semiconductor topographies
- Plant Varieties

2. What is the duration of each of these intellectual property rights? What procedures exist to extend the life of registered rights in appropriate circumstances?

- Patents 20 years from filing

Extension Supplementary Protection Certificates (SPCs) are available for European and Unitary Patents protecting pharmaceuticals and other medicinal products. SPCs extend the term of patent protection up to five 5 years, if filed within six months from market authorization of the active ingredient.

- Utility Models 10 years from filing of the original application
- German / EU Trademarks unlimited lifetime possible

NB: Trademark renewal is necessary every 10 years. If a trademark is not used "as a mark" after a grace period of 5 years, starting with the expiry of opposition period, a trademark becomes revocable for non-use.

- German / EU Designs 25 years from filing
- Unregistered EU Design 3 years from publication of design in the EU
- Copyrights 70 years after the year of the author's death;
 - 50 years after publication for photographs; 15 years after publication for databases

3. Who is the first owner of each of these intellectual property rights and is this different for rights created in the course of employment or under a commission?

- Patents and Utility Models

The law distinguishes between the "right to the invention", the "right to the patent" and the "rights conferred by the patent", all of which originally vest in the inventor as a natural person. The rights are assignable.

Inventions created by employees are subject to the statutory rules of the Act on Employee Inventions. The employer is entitled to claim the rights to inventions of his employees, once the invention has been notified to him. In turn, the employee-inventor has a claim for remuneration for the use of his invention, which cannot be waived beforehand. The statutory rules on employee-inventions only apply to employer-employee relationships. Inventions of free-lancers, agents or other non-employee staff (including officers and members of the managing board) must be assigned by contract.

In patent application proceedings, it is presumed that the applicant is entitled to the invention. This presumption is challengeable, however. The patent will

be granted to the applicant.

- Trademarks/ Designs / Topographies / Plant Varieties

The registered applicant/holder. This may be a natural or legal person, or an association having capacity to acquire and hold rights (cf. collective marks). Contributions from employees, free-lancers, free agents, etc. must be assigned to the applicant in order to avoid entitlement disputes.

- Trade Secrets

The company where the protected confidential information has been created.

- Copyrights

The creator of the copyrighted work. This also applies to creations of employees, with the exception of rights to computer programs, where the employer is entitled to an exclusive license of the work product by law. The copyright is not transferable. However, the author may grant diverse rights to use his creation.

4. Which of the intellectual property rights described above are registered rights?

All IP rights mentioned above are registered rights, except for the following: use marks, unregistered EU designs, copyrights and copyright-like rights, trade secrets, trade dress.

5. Who can apply for registration of these intellectual property rights and, briefly, what is the procedure for registration?

For all registered rights

Any natural or legal person, or association, having capacity to obtain/hold rights is entitled to apply for IP protection.

German / European Patents / Unitary Patents

There are two systems for applying for protection of technical inventions in Germany: (1) an application with the German Patent and Trademark Office (GPTO) and (2) an application with the European Patent Office (EPO). Within a 12-months period, the applicant can claim priority from an earlier application for the same invention. International patent applications (WIPO) can be transformed into an application for a German patent, a European Patent, or a Unitary Patent. Patent

applications for German, European and Unitary Patents will be disclosed after 18 months from filing.

Utility Models

Applications must be filed with the GPTO. Often, they are not filed independently, but are branched-off from a pending German or European patent application. The number of branch-offs per patent application is not limited. Claims may be identical to the patent application (no prohibition of double-protection), but are limited to apparatus claims. Unlike patents, German utility models are not reviewed by the GPTO for validity prior to registration, resulting in a quick registration process of 4 to 6 weeks.

Trademarks and Designs

The application has to be filed with (i) the GPTO for German trademark or design protection, or (ii) with the EUIPO for protection in the European Union. The offices will review both, trademark and design applications, (only) for formalities and absolute grounds of refusal. In case no deficiencies are given, the application is published (EUIPO) and the right is registered (GPTO) respectively.

6. How long does the registration procedure usually take?

In case of no inquiries and objections:

- German / European / Unitary Patent: 24-36 months
- German Utility Models: 4 – 6 weeks
- Trademarks: GPTO up to 3 months
- EUIPO up to 6 months
- Designs: GPTO up to 6 weeks,
- EUIPO up to 4 weeks

7. Do third parties have the right to take part in or comment on the registration process?

In general, third parties have no right to take part in the registration process of IP rights. A notable exception so-called "third-party observations" in patent application proceedings before the EPO, where third parties may bring further arguments against patentability to the office's attention.

8. What (if any) steps can the applicant take if registration is refused?

In proceedings before the GPTO, the EUIPO and the EPO, the applicant can appeal a refusal to grant or register the IP right he had applied for.

9. What are the current application and renewal fees for each of these intellectual property rights?

For information on current filing fees, renewal fees, annuities, and respective timelines see the respective websites of GPTO, EUIPO and EPO:

- <https://www.epo.org/applying/fees.html> (European Patents / Unitary Patents)
- <https://www.dpma.de/english/services/fees/patents/index.html> (German Patents)
- <https://www.dpma.de/english/services/fees/utilitymodels/index.html> (Utility Models)
- <https://euipo.europa.eu/ohimportal/en/web/guest/fees-payable-direct-to-euipo> (EU trademark)
- <https://euipo.europa.eu/ohimportal/en/web/guest/rcd-fees-and-payments> (EU Registered Design)

10. What are the consequences of a failure to pay any renewal fees and what (if any) steps can be taken to remedy a failure to pay renewal fees?

In principle, the failure to pay renewal fees leads to the lapse of the registered right. There is a grace period of 6 months to pay the renewal fees plus a penalty for late payment. If the grace period is missed, IP holders can apply for a reinstitution of the right.

11. What are the requirements to assign ownership of each of the intellectual property rights described above?

Generally, all IP rights, with the exception of copyrights, are assignable (by contract) and transferable (e.g. by legal succession) like any other tangible asset. Note: A right to use granted under the IP right prior to the assignment (e.g. licenses) will, as a general rule, not be affected by a transfer of the IP right ("protection against succession").

In principle, assignments of IP rights do not require a specific form. There are notable exceptions, however. The assignment of a European patent application, a EU trademark, and a EU community design must be made in writing in order to be effective. In any case, for

purposes of evidence, it is highly recommendable to assign and transfer IP rights and trade secrets by way of a written contract.

12. Is there a requirement to register an assignment of any of these intellectual property rights and, if so, what is the consequence of failing to register?

There is no requirement to register the assignment or transfer of an IP right. However, registration is highly recommended. This is because there is a rebuttable presumption that the registered owner is the material owner of the IP right and has standing to sue with respect to this right, as long as its entitlement to the IP right is not challenged with substance.

13. What are the requirements to licence a third party to use each of the intellectual property rights described above?

Under German law, the use of IP rights may be licensed by way of contract. The contract defines the IP rights falling under the license and the material scope of use rights granted (exclusive, non-exclusive, allowed types of use, determination of license royalties). Like other contracts, license agreements do not require a specific form in order to be valid. They may even be concluded implicitly. In lack of a written agreement, it is assumed that the IP owner does not grant more rights, than necessary for the purpose of the agreement. If no particular license fee is agreed, German law provides that a "reasonable remuneration" is deemed to be agreed. Regardless of this, it is highly recommendable to grant licenses in written form in order to determine and document the nature, term and scope of the use rights.

14. Is there a requirement to register a licence of any of these intellectual property rights and, if so, what is the consequence of failing to register?

While registration of granted licenses is possible with the GPTO, EPO and EUIPO, there is no legal requirement to do so. The enforcement of the licensed IP is not affected by non-registration of the license.

15. Are exclusive and non-exclusive licensees given different rights in respect of the enforcement of the licensed IP, and

if so, how do those rights differ?

Exclusive Licensees have the right to enforce the IP right with respect to all available remedies (including injunctive relief and damages) and independent of the IP right owner. Non-exclusive Licensees are not entitled to sue for infringement unless the proprietor has authorised them to do so. Damages can be sought by the non-exclusive license only, if the claim to damages has been assigned to him by the IP owner.

16. Are there criminal sanctions for infringement of any intellectual property rights, and if so, what are they and how are they invoked?

The German acts on the protection of IP rights contain provisions on criminal sanctions for intentional infringement, which provide for imprisonment of up to five years (or alternatively a fine). However, public prosecutors and criminal courts in Germany have little experience in IP matters, leading to slow and ineffective procedures.

17. What other enforcement options are available for each of the intellectual property rights described above? For example, civil court proceedings, intellectual property office proceedings, administrative proceedings, alternative dispute resolution.

Acts of IP infringement are enforceable before the German civil courts, regardless of the nature of the IP right. Actions can be brought in proceedings on the merits (e.g. for permanent injunctions) and in interim or provisional proceedings (particularly for provisional injunctions).

The German Customs Office has a dedicated IP division and is competent to handle requests for border seizures of infringing goods (cf. Q20 for details). Upon request by the IP owner, German Customs Offices may also seize goods suspected of IP infringement at trade fairs held in Germany.

Alternative dispute resolution (ADR) in IP matters is available at the civil courts (e.g. mediation) or at specialized arbitration and mediation centers. Some German courts, like the Munich District Court, offer a dedicated IP mediation scheme alongside civil proceedings and have IP-experienced and ADR- trained judges for this purpose.

Arbitration proceedings under ICC or DIS rules, which are appreciated for their strict confidentiality rules, are gaining popularity in Germany, in particular in respect to IP licensing matters. Awards from an arbitration panel are treated and enforced in Germany like a final judgement from a German civil court.

18. What is the length and cost of such procedures?

The length and costs of IP enforcement procedures depend on the complexity of the case and the nature of the IP right involved, and therefore, may vary substantively. As a general rule, IP infringement proceedings in Germany are comparatively inexpensive and speedy, if compared to the US or the UK.

Proceedings on the merits

Patents/ European Patents / Utility Models:

Av. Length of infringement proceedings: 10 – 15 months (1st instance); 12 – 18 months (appeal instance)

Av. Length of nullity proceedings: 24 – 27 months (1st instance); 24 – 36 months (appeal instance)

Costs: Btw. EUR 60.000 – 250.000 per instance, depending on the complexity of the case, the number of parties involved, and the need for technical tests and written expert opinions. Costs for parallel nullity proceedings are within the same range. Proceedings concerning utility model infringement and cancellation actions may be less expensive.

Trade marks / Designs / Copyright / Trade Secrets

Av. Length btw. 8 and 10 months (1st instance); btw. 12 – 16 months (appeal instance).

Costs: Btw. EUR 30.000 – 100.000 per instance.

Preliminary proceedings for provisional injunctions

Preliminary proceedings can take 1 month (trademarks) to 6 months (patents, designs), while in urgent cases (imminent market entry, infringement at trade fairs), the IP right holder may also seek for an ex parte injunction, which may be granted within 24h hours.

Costs: Costs for the preliminary injunction proceedings may amount to about the half of the costs for the proceedings on the merits.

19. Where court action is available, please provide details of which court(s) have jurisdiction, how to start proceedings, the basics of the procedure, the time to trial, the format of the trial, the time to judgment and award of relief and whether any appeal is available.

Courts

As a general rule, IP rights, the German District Courts (about 20) have jurisdiction in all IP enforcement matters. An infringement action may be filed with the court in the district where the act of infringement has occurred or is likely to occur. That is, where goods and services are offered nation-wide (e.g. on the internet), all district courts are competent and the plaintiff may select his preferred venue ("forum shopping").

NB: Statutory rules provide for the exclusive competence of certain venues with regard to IP matters involving patents, utility models, German / EU trademarks and German / EU designs. Among the competent courts, the District Court of Duesseldorf, Cologne, Munich, Nuremberg, Hamburg, Frankfurt, Berlin and Mannheim are the most experienced to hear IP right infringement cases.

Procedure

German IP infringement proceedings are paper-based: The writ of complaint, detailing and substantiating the asserted claims, is followed by the exchange of written submissions of the parties in preparation of a main oral hearing, which usually lasts no longer than 2 hours, if no experts or witnesses are heard by the court (standard case). The court usually renders its decision within one month from the hearing, which may involve a provisionally enforceable injunction and a declaratory decision on the claim for damages. The claim for calculated damages needs to be filed in separate proceedings.

Appeal

An appeal to a decision of a district court can be filed to the Higher Regional Court. A further appeal on grounds of law may be filed to the Federal Court of Justice, if (very strict) eligibility requirements are met.

20. What customs procedures are available to stop the import and/or export of infringing goods?

Border seizure of infringing goods is available for all

types of IP rights. Applications for border seizure can be filed with the dedicated IP division of the German Customs Office based on EU regulation 608/2013, or based on national provisions. The Customs Office may then stop potentially IP-infringing goods from entering the EU market. Border seizure measures work well at EU entry points such as ports and airports. However, once a good entered the EU, national border measures are ineffective.

If the customs office suspect goods at EU borders of IP infringement, customs will detain the goods. The applicant is given up to twenty working days to file infringement proceedings, otherwise the goods will be released to the recipient.

21. Are any non-court enforcement options or dispute resolution mechanisms mandatory in respect of intellectual property disputes in any circumstances? If so, please provide details.

As a general rule, pre-trial dispute resolution is not a mandatory requirement for IP enforcement. There are notable exceptions, however:

If an preliminary injunction (PI) is sought ex parte, the IP right holder needs to send a warning letter to the alleged infringer. The claims made with the PI application must be identical to the claims raised in the warning letter; otherwise the court can schedule a hearing in the preliminary proceedings or, alternatively, reject the application.

With respect to standard-essential patents (SEPs) the requirements of the CJEU decision *Huawei v ZTE* (CJEU, C-170/13) must be followed. Thus, prior to initiating court proceedings, the SEP holder must give the alleged infringer prior notice of the SEP and indicate why this patent is essential to the standard.

NB: If a defendant immediately acknowledges the infringement complaint brought against him, the plaintiff is required to bear the costs of the proceedings, if he has not given the defendant a warning or opportunity to settle the case pre-trial.

22. What options are available to settle intellectual property disputes in your jurisdiction?

Parties to an intellectual property dispute may settle the case out of court at any time during the proceedings. Alternatively, parties may agree to a settlement before

the court. A court settlement has the benefit of enforceable clauses, in particular as regards agreements on costs. In practice, many cases are settled, once the 1st instance infringement court has found for infringement and granted a preliminarily enforceable injunction against the defendant.

23. What is required to establish infringement of each of the intellectual property rights described above? What evidence is necessary in this context?

Patents / Utility models

The patentee/plaintiff needs to demonstrate and prove that at least one independent claim of the patent or utility model is

(i) Infringed literally or under the doctrine of equivalence (DOE)

- Literal infringement: The embodiment implements all features (or process steps) of the patent in suit in a literal sense. NB: German patent courts take a functional approach to claim construction. What is relevant is the technical effect of feature attributed to it by the patent.
- DOE: According to current case law, a patent is infringed under the doctrine of equivalents if the means of the attacked embodiment (i) has the same technical effect, (ii) is obvious to the skilled person at the priority date and (iii) is comparable to the claimed solution.

(ii) by an act of direct or indirect infringement.

- Direct patent infringement occurs where the infringer makes, offers, imports, or otherwise possesses patent infringing product in Germany, or is at least involved in such acts.
- If the patent in suit protects a process, the patentee has to demonstrate that the infringer uses the patented process, offers the process for use Germany, or offers and markets a product directly obtained by the patented process in Germany.
- Indirect (contributory) infringement occurs where means are supplied that relate to an essential element of the invention and the supplier knows, or it is obvious from the circumstances, that such means are intended to be used for the invention in Germany. A typical use case for indirect infringement is the offer and sale of machines that are

capable of performing a patent-protected process.

Trademarks

Trademark infringement occurs where a third party uses a sign in the course of trade without the proprietor's consent, and if

- the attacked sign is (i) identical or similar to the trademark and is (ii) used in relation to goods or services which are identical or similar to the goods or services for which the trademark is registered, and (iii) a likelihood of confusion between the two signs exists on the part of the public. The likelihood of confusion can be based on oral, visual or conceptual similarity of the signs; or
- the attacked sign is (i) identical or similar to the trademark, but is used for dissimilar goods, if (ii) the trademark has gained reputation on the German market, and if (iii) the use of that sign takes unfair advantage of, or is detrimental to, the distinctive character or the reputation of the trademark.

Designs

Design infringement occurs where the attacked design creates the same overall impression on the part of the informed user. The overall impression of a design is mainly influenced by its characteristic features, distinguishing it over earlier designs.

Copyright

Copyright is infringed in cases the author's rights are conducted by third parties without the author's consent. Infringement is established similar to design law.

Substantiation of facts / evidence

Under the German rules of civil procedure (ZPO), each party to a proceeding needs to obtain and present the evidence to support their case. The plaintiff bears the burden of proof of an infringing act in Germany. For this, plaintiffs often rely on party-appointed experts and opinions, particularly where technical facts, the understanding of the skilled person, or the perception by the commercial public are in question. The defendant cannot simply dispute assertions by the plaintiff, but needs to provide evidence, why infringement is not present. If a party cannot sufficiently deny facts that have been substantiated by the other side, these facts are deemed to be acknowledged under the procedural rules. Because of this, German courts rarely appoint experts or hear witnesses, but decide based on submitted and

(un)denied facts.

24. How does the court acquire any necessary information (fact or technical) and in what circumstances does it do so? In particular a) Is there a technical judge, a judge with technical experience, a court appointed expert, an expert agreed by the parties, and/or parties' expert witness evidence? b) What mechanisms are available for compelling the obtaining and protecting of evidence? Is disclosure or discovery available?

(a) Judges at the German civil courts, which are competent to hear IP infringement disputes, are legally trained. However, these judges often have substantive experience in commercial and technical matters.

German civil courts can appoint court experts, if they lack the required technical understanding necessary to decide the case. However, given the onus of the parties to prove their case, this happens only in rare cases.

The Federal Patent Court, which hears cases of patent and utility model validity, is staffed with both, legally and technically trained judges.

(b) The German law does not provide for US discovery or disclosure proceedings. Where the IP holder believes that evidence of infringement is insufficient for a successful court action, he may file for inspection proceedings, allowing him to search third parties' premises in Germany, seize samples and documents, and have products and processes inspected by a court-appointed expert, who will then provide a written expert opinion. Inspection proceedings are available for all IP rights in Germany and often yield helpful results for the IP owner.

If proceedings are already pending, the plaintiff may request the court to order the defendant to produce certain clearly identified documents or pieces of evidence. However, the German courts are generally reluctant to grant such orders, given the parties' procedural obligation to prove their case.

On the other hand, there are no procedural limitations for a party to introduce evidence in German civil proceedings, which are obtained elsewhere (e.g. Sec. USC § 1782 actions).

25. How is information and evidence submitted to the court scrutinised? For example, is cross-examination available and if so, how frequently is it employed in practice?

Due to the system described in Q23 above, experts and witness are heard only in rare cases (<5% of all IP cases). Even then, there is no US-style cross-examination. Experts and witnesses are interviewed by the members of the court. Parties' counsel may pose questions of clarification under the control of the court.

26. What defences to infringement are available?

The defendant can dispute infringement, namely non-use of the claimed invention, no likelihood of confusion of the trademark, or a dissimilar overall impression of the attacked design.

Further defences against IP infringement include

- right to private prior use in Germany,
- use with consent of patent owner (implied licenses, covenants not to sue),
- exhaustion of rights,
- claim to a compulsory license,
- right to use for experiments / Bolar-exemption, etc.

In proceedings involving copyrights, the defendant may further rely on a legitimate right to citation or invoke a permissible modification of the copyrighted work.

A major defense in all IP infringement proceedings is the lack of validity of the IP right asserted.

In cases involving trademarks and designs, the defendant may file a counter-claim for invalidity of the asserted IP right with the civil court, and may start a revocation action with the competent IP office in parallel.

In cases involving copyrights and utility models, the validity of the asserted IP right is a precondition for finding for infringement. That is, the defendant may challenge the validity of the asserted right directly at the civil court.

The lack of validity of the patent is not admitted as a defence in German patent infringement proceedings. The validity of a patent must be challenged in separate proceedings ("bi-furcated system"), either with an opposition action before the GPTO or EPO (if the nine months opposition period is still open), or with a nullity

action before the Unified Patent Court (UPC) or German Federal Patent Court (PatG).

If an opposition or nullity action is filed, the civil court may suspend the infringement proceedings, if serious doubts with regard to the validity of the patent exist (high hurdle, only 15% – 20% of infringement cases are stayed). The average length of an opposition action or a 1st instance nullity proceeding is considerable (s. Q 18). However, a preliminary opinion on validity shall be given within six months from filing, which will be taken into account by the infringement court prior its decision on infringement.

27. Who can challenge each of the intellectual property rights described above?

In principle, anyone can challenge the validity of a registered IP right during its term of protection (public interest to clear IP register of invalid rights). If the IP right has lapsed, a legal interest will be needed (e.g. claims raised for past infringement). As regards earlier rights to a trademark, only the holders of the earlier right or its exclusive licensee are eligible to file an revocation action.

28. When may a challenge to these intellectual property rights be made (e.g. during any registration process or at any time during the subsistence of the right)?

Patents

Post-grant: Opposition within 9 months from the publication of grant at the patent with GPTO (DE Patent) or EPO (European and Unitary Patent)

After lapse of opposition period: nullity action at the German Federal Patent Court (DE and opted-out German EP counterparts) or the Unified Patent Court (EPs / Unitary Patents) at any time during term of protection (if patent has lapsed, a legal interest is needed)

Utility Models:

Cancellation proceedings any time after the registration (if utility model has lapsed, a legitimate interest is needed)

Trademarks

Opposition: Within three months from (i) the publication of the registration (GPTO); (ii) the publication of the application (EUIPO); After lapse of opposition period:

action for revocation before national courts (for EU trademarks, certain German district courts act as EU trademark courts)

Revocation for non-use: GPTO or EUIPO, any time

Registered Designs DE/EU:

Anytime after registration with office action at GPTO or EUIPO; alternatively or in parallel: revocation action before national courts (for EU designs certain national courts act as EU design courts)

29. Briefly, what is the forum and the procedure for challenging each of these intellectual property rights and what are the grounds for a finding of invalidity of each of these intellectual property rights?

See Q 28 re periods and forums.

Patents, Utility models

Lack of patentability, including

- non-eligible subject matter (lack of technicality),
- lack of novelty or lack of inventive step based on prior art (written, oral, public prior use)
- inadmissible extension of the scope /added matter
- insufficient disclosure.

German / EU Trademarks

- Lack of capacity to be a trademark, absolute lack of distinctive character; requirement to keep sign free for market ("absolute grounds of refusal")
- Likelihood of confusion with a sign of earlier priority that is used or registered for same or confusingly similar goods and services ("relative grounds of refusal")

German / EU Designs:

- Lack of novelty or individual character over earlier published designs

Copyright:

No individual artistic creation.

Trade Secrets

- Information or know-how is known to the public

- Lack of commercial value
- Lack of adequate measures to protect secrecy

Since copyrights and trade secrets are unregistered rights, their validity can only be challenged during infringement procedures.

30. Are there any other methods to remove or limit the effect of any of the intellectual property rights described above, for example, declaratory relief or licences of right?

Compulsory licenses

Where a patent is essential to a technical standard (SEP), the patent owner is obliged under the rules of EU competition law to grant a license on FRAND (fair, reasonable and non-discriminatory) terms to every willing licensee. This obligation can hinder enforcement of the claim for injunctive relief, if the license terms offered by the SEP holder are considered "unFRAND". However, German courts afford the SEP owner considerable discretion to determine FRAND license terms and are strict on what constitutes a truly willing licensee.

Further, German patent law and copyright law provide for a claim to a compulsory license, where granting a license to the IP right is in the public interest (public health, scientific requirements). Successful cases are rare, however.

Exhaustion of rights

It is a fundamental principle of EU IP law that once a product has been put on the market in the EU/EEA with the consent of the IP right holder, the rights of the holder with respect to this product are exhausted, so that this product can freely be used and resold in the EU/EEA.

Different to the "first sale" principle in the US, the European "exhaustion of rights" principle only applies to sales made in the EU/EEA. The IP owner's consent may be express or implied and normally follows from a (sub-)license or other right of use.

Trademark law provides for a right to object to the exhaustion of rights, where the character of the trademark is adversely affected by the resale of the branded goods. This is particularly relevant for the re-import of re-packaged pharmaceutical drugs, where the CJEU has developed a dedicated test to ascertain the exhaustion of trademark rights.

31. What remedies (both interim and final) are available for infringement of each of the intellectual property rights described above?

The standard remedies for IP right infringement involve the following

Injunctive relief – both, interim and permanent

damages for past infringement (going back up to ten years from filing of complaint)

Rendering of information on sales, suppliers, commercial customers, turnover, profits

Recall from the supply chain and destruction of infringing goods

Publication of the judgement (when final)

32. What are the costs of enforcement proceedings and is any kind of costs recovery available for successful parties? Is there a procedural mechanism enabling or requiring security for costs?

See Q 18 regarding litigation costs of the proceedings.

Reimbursement of Costs

In German IP proceedings (infringement / validity) the unsuccessful party has to bear the court fees and the statutory costs of the other party. Court fees and

statutory costs of a party are determined based on the value of the case. For instance: In an average patent infringement case (value € 1m), the court fees are about € 18.000 and the recoverable statutory attorneys' fees are about € 26.000 in 1st instance. In an average trademark infringement case (value €100k), the court fees are about € 3.400 and the recoverable statutory attorney fees are about € 4.200 in 1st instance. Court fees and statutory attorneys' fees increase slightly in 2nd instance. All in all, the successful party will be able to recover only a fraction of its actual litigation costs.

Security for costs

Upon defendant's request, plaintiffs not domiciled in the EU/EEA must provide a security for costs, usually in the form of a bank guarantee. This obligation applies for plaintiffs domiciled in US, CN, UK, CA, TW, KR, SA. Notable exceptions apply for plaintiffs from JP, CH, IL, RU, UA, TK, where international conventions apply. The security amount normally involves the statutory costs for three court instances, which are determined based on the value of the case.

Enforcement Security

1st instance judgements finding for IP infringement are provisionally enforceable against the provision of an enforcement security that is to be determined by the court. The enforcement security shall cover the defendant's expected loss in turnover in Germany until the end of the appeal proceedings.

With the exception of patent cases, preliminary injunctions are commonly granted without the requirement of an enforcement security.

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