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Rechts- und Patentanwaltskanzlei

**Nomen est omen:
Legal situation and dangers with
firm names
in Germany and Europe
for the POLARIS members
on 23rd September 2006 in Düsseldorf**

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Mistakes and wrong decisions can produce very serious consequences – up to the personal bankrupt of the responsible managers!

Generally in German (and most other European) trademark and firm name infringement cases also the responsible person is liable personally with his personal property, for example the Geschäftsführer of a German GmbH or the CEO (Vorstand) of a German Aktiengesellschaft.

A. Which rights like firm name and trademark rights are existing?

I. The (civil) name among § 12 BGB

II. The firm name among §§ 17 f. Handelsgesetzbuch (HGB, commercial law book) and the commercial name among § 5 paragraph 1 Markengesetz (MarkenG, trademark law)

III. Registered trademark among § 3 MarkenG

1. word mark
2. word- and picture mark
3. 3D – mark like the Coca Cola bottle
4. Slogans
5. Hear mark, especially radio jingles
6. Smell mark

Examples for word- and picture marks:





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▪ ▪ **T** Deutsche
Telekom

Marc O'Polo®

Example for a pure picture mark:



Examples for word- and picture marks only of the enterprise Henkel

MARKENWELT WASCHEN



MARKENWELT SPÜLEN



MARKENWELT REINIGEN





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It is forbidden by law especially:

- the use of the registered marks on wares or their packing
- to offer wares or services under the trademark
- to import or export wares signed with the trademark
- the use of the registered marks for advertisement reasons or on business papers

In case of infringement:

1. Right to claim to stop the use immediately

An injunction before a court is possible without hearing the other party.

2. Right to claim damages, for example a fictive royalty including the right of all necessary information, for example number of bought and sold wares, prices paid and received, name of sellers a.s.o. The royalty is accounted on base of the turnover, not the profit!

3. Right to claim to delete all products, packing, business papers a.s.o. showing the infringing name.

If there had not been a professional research before starting the use you are liable!

Advantage for advertisement and marketing

Examples:

PEPSI®

Henkel®

Kreuzkamp®

PaMaRIZ®

IV. The work title among § 5 paragraph 1 and 3 MarkenG

Printed matters like books, newspapers and magazines, but also movies, songs, theater plays, musicals a.s.o.



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V. Other signs for enterprises, especially commercial signs (Geschäftsabzeichen) among § 5 paragraph 2 MarkenG

Necessary: Known in the market

VI. Geographic signs of origin

Examples: „Champagner“ or „Clausthaler“

To distinguish from:

direct signs of origin like „Lübecker Marzipan“

indirect geographic signs of origin like „English Lavender“ or „Ungarische Salami“

No protection for generic terms like Griechischer Salat (Greek Salad) or Wiener Schnitzel.

B. Collision of brand rights:

There is a problem if different enterprises are applying or already using similar signs or marks which may be confused by the consumers or the „maßgebliche Verkehrskreisen“ (the addressees for these marks)

1st example: Application of the word mark "KANNON" at the Deutsches Patent- und Markenamt (DPMA, German Patent and Trademark Office) for: "TV sets, video films, movie projectors, movie dvds, picture films, copy machines" a.s.o.. This application would be registered!

The Japanese enterprise Canon, owner of the word mark "Canon" for identical and similar products thinks about opposing this application.



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2nd example: Someone wants to sell sweets and biscuits under the name „Nilca“.

3rd example: Someone wants to distribute a perfume under the name „Kaltes Wasser“, although the trademark „Cool Water“ (the English translation) for perfume is already existing.

Generally the older right has priority versus the younger.

The older firm name beats the younger trademark. The older trademark beats the younger work title or firm name, if there is a danger of confusion in regard to the objective addressees.

A collision has to be stated not only in case of identity but also in case of similarity – of the signs on one hand and the wares and/or services of both sides on the other hand.

Marks are not only similar if they are written similar, but also if the sound is similar or can be confused in mind.

In regard to the services and wares the question is the proximity of the industrial or commercial sector.

In all above named examples an infringement of the rights of the owners of the trademark rights of Canon, Milka und Cool Water has to be stated.

The mainly made mistake is to believe first to have a sufficient protection and secondary to be sure not to infringe rights of other enterprises when a trademark or the firm name has been registered. Both is wrong.

If you want not to make a mistake, you are forced to research a name you want to use as trademark or firm name before using it.



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C. Protection by researches

As already said: If you are infringing trademark or firm name rights a.s.o., you are liable for (high) damages. You are culpable if you have not organized a professional research.

1. direct financial effects of claims for damages of third
2. other effects, especially if you are force to change the name of the product or of your enterprise immediately

An infringement of a trademark or an firm name rights is often "deadly", also for the responsible persons in regard to their personal liability, also for example for the "Geschäftsführer" of a German Limited (GmbH).

The registration of a trademark gives no information or protection not to infringe older rights of third.

Alone for registered trademarks valid in Germany three different Offices are responsible for:

1. the Deutsches Patent- und Markenamt (German Patent and Trademark Office) in Munich, Germany for pure national German applications
2. the European Trademark Office (officially: the Office for Harmonization in the Internal Market OHIM) in Alicante, Spain for trademark applications covering all European Community member states
3. the WIPO (World Intellectual Property Organization) in Geneva, Switzerland, responsible for international registered trademarks (among the Madrid Agreement and also the Protocol to Madrid Agreement)

These three offices are not working together in the meaning that they have not linked or connected their databases.



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These three offices are not examining if trademarks applied to them are infringing older rights.

Alone valid for Germany there are wide more than one million actually existing trademarks registered by these three offices.

Therefore: Protection against the described dangers are only possible by professional researches

A professional research includes a research in the databases and the analyze by a specialized attorney.

Due to the German Rechtsberatungsgesetz (Law in regard to legal consulting) only lawyers and patent attorneys are allowed to undertake legal consulting and to analyze and value trademark and firm name researches.

Research enterprises like PaMaRIZ, Thomson, Compumark, Genios, Eucor, SMD a.s.o. are only allowed to generate hit lists and full prints of hits. They are not allowed to value the hits in regard to the concrete law question if a collision or the danger of a collision is existing or not.

The German Patent and Trademark Office, the European Trademark Office and the WIPO are not providing researches of older trademark rights and they have not the duty to check this question during the registration procedure.

The Handelsregister (commercial register) only undertakes a pure control of identical firm names and does that also only in its own register but not in the more than 500 other German commercial registers.



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You can undertake a first previous research in order to save money and to exclude marks, names and signs you find yourself that there is existing a collision with an older similar right. Especially you can search in the internet with google a.s.o. and also via the homepages of the trademark offices and the databases there.

For example: Deutsches Patent- und Markenamt: www.dpma.de. There you will find also links to all other trademark offices.

But an own research will never last to protect you in a necessary way. The search possibilities via the database accesses via the homepages of the trademark offices do not offer sufficient tools to find all similar trademarks. Also you need enough legal knowledge to value the danger of a collision among the actual jurisprudence.

Also it is impossible for you to search in all over 500 German commercial registers after not only identical but similar firm names.

D. And now more intensive again to trademarks

I. The advantages of a trademark versus other similar rights

- A trademark is applied for concretely named wares and services.
- A trademark has a registered application date.
- An enterprise only can have one firm name but can offer different wares and services under different names to be recognized on and in the market.
- A trademark gives protection previously before the real use of the mark and protects the possibility to use a special name in the future and protects future entries on a market not delivered yet.
- Not only local protection.



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II. What can be registered as trademark?

Allowed marks are especially

- words
- personal names
- pictures / logos
- the form/design of a ware or packing
- Colors and assembles of colors
- Smells, at least at the OHIM in Spain
- Commercial names
- Other marks or signs

No registration if:

1. not able to distinguish
2. only descriptive
Example to 1. and 2. : „Apple“ is possible for computers but not for fruits.
3. State symbols like the German flag or the German Eagle
4. obviously deceiving marks. Example: „gold“ for forks and spoons not made of gold.



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III. How is a mark protected?

Normally only by registration. A protection by the fact of being well known in the market ("Verkehrsgeltung") needs that at least 15 % of all potential clients in Germany know the mark.

With the application the wares and services have to be named and classified.

The work out of a real good list of wares and services needs a high experience.

„Tactical packing“ by creating the list of wares and services.

IV. What could hinder the registration?

1. Absolute reasons, § 8 MarkenG

- a) not able to distinguish
- b) only descriptive
- c) obviously deceiving

2. relative reasons

V. Procedure after filing of the application until registration

No need to file later a declaration of use!

E. Cost



F. What you should notice and never forget:

1. There are different kinds of marks. The most important are the civil personal name of a human being, the firm name, the name of an enterprise registered in the commercial register and as the most important: the registered trademark.
2. The investment in a registered trademark is often already useful in regard to marketing and image reasons. Further on it protects against imitations and the danger to be confused with others on the market if it is the question not of the enterprise itself but of a different name for wares or services. But also the firm name protection is supported by a trademark registration, especially in regard to future markets (in foreign countries) and in regard to future wares and services.
3. Trademarks valid for Germany can be registered not only by the Deutsches Patent- und Markenamt (DPMA, German Patent and Trademark Office), but also by the European Trademark Office (OHIM) in Alicante, Spain and by the WIPO (World Intellectual Property Organization) in Geneva, Switzerland.
4. Every "Kennzeichenrecht" (name or trademark right a.s.o.), either if civil name among § 12 BGB, firm name or trademark or anything else beats a younger name or mark which can be confused with. Then there is a collision existing.
5. Confusable in this sense are not only identical but also similar names and marks on the one hand and sufficient similar wares and services on the other hand.
6. In case of collision the owner of the older, prior right can claim damages, all information to be able to account the damages and he can claim the immediate stop of further infringements.
7. The right to claim damages covers at least a fictive royalty which is accounted on base of the turnover, not the profit! For example for shirts a fictive royalty of 20 % of the turnover of all the last years is possible!



8. In case of a trademark infringement the owner also - normally - can claim to delete all products, packing, business papers a.s.o. showing the infringing name.
9. In case of trademark or (firm) name infringement not only the infringing enterprise is liable but also the responsible person of this enterprise with his personal property, for example the Geschäftsführer of a German GmbH or the CEO (Vorstand) of a German Aktiengesellschaft..
10. Therefore a trademark infringement not only can lead to delete the enterprise itself but also to the personal bankrupt of the responsible manager.
11. The mainly made mistake is to believe two things: first to have a sufficient protection and secondary to be sure not to infringe rights of other enterprises when a trademark or the firm name has been registered. Both is wrong. During the registration procedure the German, the European and the International Trademark Offices are not examining the existence of older rights with which a collision is perhaps existing. The commercial registers only looks if an identical firm name in the own register is existing. The more than 500 other German commercial registers are not checked.
12. Therefore, if you want to avoid a mistake and liability, you have to organize a professional research of a name which shall be used as firm name or trademark **before** using it.
13. Only professional researches with professional analyze and valuation by specialized trademark lawyers or patent attorneys can protect against all these dangers. Professional researches with professional analyze and valuation are something like an "assurance".
14. A trademark application before the German or the European Trademark Office can be filed by everyone. A representation by a specialized trademark lawyer or patent attorney is legally not required but highly recommended.