## PREU BOHLIG & PARTNER



## **April Newsletter**

1/2016 ISSUE

### News

Preu Bohlig & Partner now open in Paris	02
Düsseldorf office: New IP team and new office location	03
New: "Patent Guide" on website	08
Intellectual Property Rights	
A reasonable interpretation of the patent claim	05
The managing director's personal liability for infringements of intellectual property rights by the company – "Fiberglass II" vs. "Liability of Managing Directors"	09
Patent law: FRAND – and no land in sight	11
Greater clarity in actions for nullity	13
Burden of proof in cancellation proceedings before the ordinary courts pursuant to Sec. 55 Tradema Act (MarkenG)	
New EU trademark regulation taking effect	16
No friends on Facebook	24

### Pharmaceutical and Medical Device Law

Medical app	s may b	be medical	products	19
-------------	---------	------------	----------	----

### **Press and Media Law**

Liability for hyperlinks in competition law and liability for third party statements on the Internet – Summary and overview: BGH I ZR 74/14 and BGH VI ZR 93/10 22

#### Awards

Preu Bohlig & Partner listed in "LMG Life Sciences 2015"	21
Events and Seminars	

AIPLA Annual Meeting 2015 – Washington D.C.	27
8th Global IP Convention 2016 – New Delhi, India	28
Current lectures and seminars	29

## Preu Bohlig & Partner now open in Paris

### At the beginning of 2016 Preu Bohlig & Partner opened an office in Paris.

As we already announced in our latest newsletter dated October 2015, attorney Konstantin Schallmoser, LL.M. (Paris II) is head of the new office and has relocated his legal activity from the firm's Munich office to Paris, Konstantin Schallmoser has many years of experience in patent law and provides his services to DAX companies as well as to medium-sized firms, mainly in the field of patent litigation. As a member of our law firm's French Desk his work is concentrated chiefly on providing support in Germany for French-



speaking clients. In future cases involving French law, Preu Bohlig & Partner will continue to make use of this tried and tested network of French law firms.

With the new office, Preu Bohlig & Partner is getting ready for the Unified Patent Court which will have its central division in Paris.

In addition, the Paris office will promote the existing cooperation with our French clients and with French patent law firms. Preu Bohlig & Partner traditionally maintains close client relationships in France and for a number of years now the firm has brought these skills together in a "French Desk". Furthermore, Dr. Alexander Harguth, a lawyer and partner in the IP field, who moved from McDermott Will & Emery to Preu Bohlig in the summer of 2014, is also licensed to practise law in Paris. Dr. Stephan Gruber, a partner in Intellectual

Property Protection in our Munich office, joined his colleague in saying: The fact that our law firm already has a network in Paris and in France is a great help to us in setting up the new office. Having an office in Paris gives us fundamentally new opportunities to develop our relationships with clients in France.



How to contact the Paris office: Preu Bohlig & Partner Konstantin Schallmoser, LL.M. (Paris II) 139, boulevard Haussmann F-75008 Paris Tel. +331538150 40 Fax +331538150 41 Email: ksc@preubohlig.de Link Profile: Link

## **Düsseldorf office: New IP Team and new office location**

On 1 January 2016, Preu Bohlig & Partner moved to a new office location on Couvenstraße directly next to Schloss Jägerhof and the central Hofgarten.



The Düsseldorf office is headed by partners Prof. Dr. Christian Donle (Berlin office) and Dr. Axel Oldekop (Munich office); they partially moved their business activities to Düsseldorf.

Christian Donle is one of Germany's most renowned IP attorneys. He advises and represents mostly industrial companies and many small and mid-sized companies in various fields of IP law (patents, trademarks and design), copyright, and antitrust and competition law. His main expertise is patent and antitrust disputes that relate to standard essential patents and FRAND licenses. Christian Donle is active in numerous mobile communications proceedings.

Axel Oldekop has also a broad experience in IP law. He advises in particular national and international technology companies in patent disputes and know-how protection, while his focus is on infringement and legal validity proceedings. Axel Oldekop also represents large mid-sized companies in trademark and competition law issues.

Dr. Christian Kau, who is also a partner, joined the Düsseldorf team in January 2016. Christian Kau previously worked for Taylor Wessing and DLA Piper, where he advised German and international clients from various business sectors in technical IP. He gained reputation especially in international patent litigation and other disputes with a technical background in the fields of telecommunication and medical devices. Furthermore, he will bring in his expertise in IT law. "I am pleased to join a renowned and professional law firm like Preu Bohlig & Partner, which is so highly specialized and broadly positioned in the IP sector. This will open up remarkable prospects for the expansion of my IP clients in one of the most important places of jurisdiction for patent infringement in Germany and seat of a local chamber at the coming UPC", Dr. Christian Kau commented on his joining the Düsseldorf team.

Martin Momtschilow is a further member of the IP team in Düsseldorf with a focus on patent law. He has been with Preu Bohlig & Partner in Düsseldorf since 2011. Christian Donle says, "We're starting in Düsseldorf with a powerful team and will also be calling on reinforcements from the Berlin and Munich offices when dealing with big accounts, and will also build strong cross-location teams in order to continue serving our clients in the best way possible." With 26 attorneys in intellectual property law, Preu Bohlig & Partner is one of the Germany's strongest IP firms in infringement proceedings.

Last but not least, Albrecht Lutterbeck, partner, will continue to work for the firm in the fields of commercial and corporate law and will further expand this area in Düsseldorf. He will help Preu Bohlig & Partner strengthen the interface between industrial property rights and general commercial law.

## PREU BOHLIG & PARTNER

#### How to contact the Düsseldorf office:

Preu Bohlig & Partner Couvenstraße 4 40211 Düsseldorf Tel. +49 (0)211 598916-0 Fax +49 (0)211 598916-22 Email: duesseldorf@preubohlig.de



Prof. Dr. Christian Donle Attorney at law (Rechtsanwalt), Partner, Fachanwalt (specialising on) Intellectual Property eMail: berlin@preubohlig.de Link Profile: Link



Dr. Axel Oldekop Attorney at law (Rechtsanwalt), Partner Fachanwalt (specialising on) Intellectual Property eMail: axo@preubohlig.de Link Profile: Link



Dr. Christian Kau Attorney at law (Rechtsanwalt), Partner, Fachanwalt (specialising on) Intellectual Property eMail: cka@preubohlig.de Link Profile: Link



Albrecht Lutterbeck Lawyer / Company Law / Commercial Law eMail: alu@preubohlig.de Link Profile: <u>Link</u>



Martin Momtschilow Lawyer / Intellectual Property eMail: mmo@preubohlig.de Link Profile: Link

## A reasonable interpretation of the patent claim

For patent attorneys, the interpretation of patent claims is a tool of the trade – both in infringement actions and in actions for nullity. Interpretation is made through the interplay of the literal wording of the claim and the description, since the content of the patent claim is controlled by its meaning, and the description and the drawings must be utilised to determine that meaning. A trio of decisions – "Zugriffsrechte" (GRUR 2015, 159), "Rotorelemente" (GRUR 2015, 875) and "Kreuzgestänge" (GRUR 2015, 972) – provide valuable indications of how to develop an overall understanding of patent claims and the description intended to explain them, which is to be as reasonable and consistent as possible.

- Under the settled legal precedent of the BGH [Bundesgerichtshof = Federal Court of Justice], an interpretation of patent claims is always required – even if the philological wording of the claim appears to be clear. This applies not only to infringement actions (see only BGH GRUR 1986, 803 – Formstein; BGH GRUR 2002, 515 – Schneidmesser I), but also to actions for nullity (see most recently GRUR 2012, 1124 - Polymerschaum I). Significantly, two of the cases to be discussed here, namely the "Rotorelemente" and "Zugriffsrechte" decisions, were issued in actions for nullity.
- 2. One of the basic principles of patent law is that, in doubtful cases, the terms used in the patent specification are to be defined within the context of the patent specification and therefore independently, since every patent specification constitutes its own lexicon (BGH GRUR 1999, 909 Spannschraube; BGH 2005, 754 werkstoffeinstückig). This principle applies, in particular and especially, when the interpretation of a term on the basis of the "patent's own lexicon" leads to an understanding that differs from the customary understanding in the specialised area.
- 3. The "patent's own lexicon" is decisively provided in the description. The meaning of the terms used in the patent claims are to be defined based on the understanding derived from the description. This makes the interplay between the claims and the description especially clear: Under Art. 69 EPC and its protocol on interpretation and under the corres-

ponding national practice in accordance with § 14 PatG [Patentgesetz = Patent Act], the principle of the primacy of the patent claim applies, according to which, when there are contradictions between the claim and the description, the claim takes precedence, since the claim - and not the description defines and limits the protected subject matter - i.e. the monopoly conferred by the administrative act granting the patent (see only BGH GRUR 2011, 701 - Okklusionsvorrichtung). On the other hand, the technical meaning of the patent claim is controlling in determining the subject matter of the patent - and not merely its wording on a purely philological level since the description is to be utilised to determine the meaning of the claim (see BGH GRUR 2015, 875 no. 16 - Rotorelemente). How this "hermeneutic circle" between the philological wording of the claim and the technical information provided in the description is to be resolved is the subject matter of the three decisions to be discussed.

4. In the "Zugriffsrechte" case, the interpretation of a claim was to be reviewed, which, in the opinion of the Federal Court of Justice, was contrary to the two embodiments described in the patent specification (see nos. 26 + 40). The Federal Court of Justice rejected the interpretation. It stated that an interpretation of the patent claim, which has as its result that none of the embodiments described in the patent specification are covered by the subject matter of the patent, can only be considered if other possible interpretations, which at least result in the inclusion of part of the embodiments, must be elimi-

nated or if there is sufficiently clear evidence in the patent claim that something that, in large part, differs from the specification is actually being claimed (headnote and no. 26). Ultimately, in this case, the Federal Court of Justice came to the conclusion that the patent claim – still – demonstrated with sufficient clarity that both embodiments with the features described in the patent specification were covered (no. 46).

- 5. Such an interpretation of the claim, which finds the description and its embodiments to be in conformity, is especially clear in the "Kreuzgestänge" decision: There the headnote provided by the Federal Court of Justice states: If several embodiments are presented as being "according to the invention" in the description of a patent, then, in doubtful cases, the terms used in the patent claim are to be understood such that all of the embodiments can be used to "flesh them out". Moreover, the BGH determined in the decision (no. 22) that patent specifications are to be read in a reasonable relationship and, in doubtful cases, the patent claim is to be understood such that no contradictions between the statements in the description and the pictorial representations in the drawings arise, because patent specifications constitute their own lexicon of the terms used therein and ultimately only the connotations arising from the patent specification are controlling.
- 6. This raises the question of what is the limit of a "re-asonable" interpretation of a claim and a description in terms of their cohesiveness when individual embodiments or parts thereof are no longer compatible with the claim, e.g., based on a limitation imposed in the granting proceedings, i.e. when the well-known set of facts in the "Okklusionsvorrichtung" case exists. Here the BGH confirmed the principles of the "Okklusionsvorrichtung" decision (GRUR 2011, 701) in the "Kreuzgestänge" decision. The Court stated: Only if and to the extent that the teaching of the patent claim cannot be brought into conformity with the description and the drawings and an unresolvable contradiction remains, may those components of the description that find no expression in the patent

claim be omitted in determining the subject matter of the patent (no. 22 and headnote).

7. Due to the narrowing of the set of cases in which an "unresolvable contradiction" between the description and the granted claim exists, this principle runs into a "chicken or the egg problem" when an attempt is made to put it into practice: It is often difficult to determine solely from the granted patent whether an embodiment or parts thereof are not covered by the subject matter of the patent claim, e.g. because the patent claim was limited in the granting proceedings, or whether a (limited) claim can – and should – be interpreted such that it covers the embodiment. This was particularly clear in the "Okklusionsvorrichtung" case (GRUR 2011, 701 and the remarks of Kühnen in this regard).

In the "Okklusionsvorrichtung" decision (no. 25), the BGH did not address whether the patent application can be used as an interpretation aid to resolve this "chicken or the egg problem". The sensitivity of this question is evident from the fact that the protocol on interpretation in Art. 69 EPC does not permit the use of occurrences in the granting proceedings as a "source" for the interpretation of a patent claim (see BGH GRUR 2002, 51 – Kunststoffrohrteil).

The Federal Court of Justice has now given indications of how to resolve this "chicken or the egg problem" in its "Rotorelemente" decision: There, the question to be examined was whether the subject matter of the granted claim had been impermissibly expanded as compared to the original disclosure. In this regard, the Federal Court of Justice determined that the content of the original documents or the published application could not be considered in the interpretation. The patent claim cannot be interpreted based on the original disclosure nor may its meaning be determined by comparing the wording of the claim with differing formulations in the application (no. 17). However, when it is doubtful whether the patent claim and the specification can be placed in a reasonable relationship with each other, the "history of the claim" can be utilised. In the decided case, use of the history of the claim was permitted to clarify whether the claim protected subject matter that deviated from what was disclosed in the description or fell short of this (no. 17). For practical purposes, one can infer that, e.g., the patent application can be used as an interpretation aid to recall the "history of the claim" (see also, in particular, Meier-Beck, GRUR 2012, 1177, 1181, regarding the "history of the limitations" as an interpretation aid).

8. The requirement of a "reasonable interpretation" of patent claims, i.e. the development of an overall understanding of the patent claims and the description intended to explain them, which is to be as reasonable and consistent as possible, becomes graphic in the "Rotorelemente" decision (see no. 32 thereof):

The subject matter of the action for nullity there was a device to manufacture rotor elements. The elements had so-called pole sections and so-called base frames. The device to manufacture these rotor elements had a punch assembly. On a purely philological level, this punch assembly had a first punching element, according to the granted claim, which was used to punch out the parts of the base frame sections at first grasp. A second punching element was then used to punch out the pole sections. However, in the opinion of the Federal Court of Justice, it was evident from the overall content of the description and the additional Patent Claims 2-6 that, when formulating the granted Claim 1, the base frame sections and the pole sections were interchanged (see nos. 18 and 22). Therefore, the Federal Court of Justice came to the conclusion that, contrary to its wording, the claim should be read to mean that the first punching element makes (at least) parts of the pole sections available for punching and the second punching element makes the base frame sections available for punching (no. 18).

Accordingly, the BGH's headnote stated: In determining the meaning of a patent claim, wording that is clear per se is not controlling if an interpretation

of the claim utilising the description and the additional patent claims reveals that two terms used in the patent claim should be interchanged with each other. As its rationale, the BGH stated as follows (no. 16): The principle that, if there are contradictions between the claim and the description, the claim should take precedence, does not mean that no understanding of the patent claim may emerge from the description and the drawings, which diverges from what the mere wording of the claim states. The function of the description is to explain the protected invention. Therefore, in doubtful cases, an understanding of the description and the claim is required that does not bring the parts of the patent specification into contradiction with each other, but interprets them as related parts of a reasonable whole.

Thereby the BGH builds on earlier decisions (BGH GRUR 2008, 887, no. 21 – Momentanpol II; BGH GRUR 2009, 653, no. 16 – Straßenbaumaschine) in which it had already held that professionals must strive to give the patent a reasonable interpretation.

9. The "Rotorelemente" decision is, of course, characterised in that the philological wording of the granted claim was diametrically opposed to the technical meaning of the description. This may have led the Federal Court of Justice to make a "rectifying interpretation" based on the description. The decision is not an isolated case (see Meier-Beck, GRUR 2012, 1177, 1181 with reference to BGH Mitt. 2002, 176 - Signal- und Gegensprechanlage). In summary, it can be stated that a rectifying interpretation of the claim based on the description is possible if the philological wording of the claim is "obviously incorrect" in light of the technical meaning imparted by the description. Due to the requirement of legal certainty and the primacy of the claim, a careful examination must be made to determine whether the "Rotorelemente" decision can be generalised beyond the decided set of cases.



Dr. Stephan Gruber Konstantin Schallmoser, LL.M. Lawyers Munich, Paris Tel. Munich: +49 (0)89 383870-0 Tel. Paris: +331538150 40 eMails: sgr@preubohlig.de ksc@preubohlig.de Profile Dr. Stephan Gruber: Link Profile Konstantin Schallmoser: Link

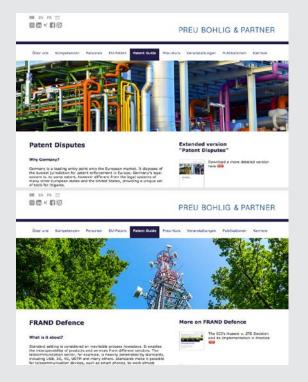
## Patent Guide // Website Preu Bohlig & Partner

Since 2016 a new information portal on patent law has been available on our website under "Patent Guide" for our German and international clients. The guide, written in English, specifically provides information on the following subjects:

- Patent Disputes
- Employee's Inventions
- Customs Enforcement
- FRAND Defence

### Link

For each topic in the guide there is an additional, even more detailed PDF version of the information available for download from the respective web page. The page "Patent News from Germany" also provides information about the current developments in patent law in Germany.



<u>Link</u>

## The managing director's personal liability for infringements of intellectual property rights by the company – "Glasfasern II" vs. "Geschäftsführerhaftung"

It is well-known that the X. Civil Panel of the Federal Court of Justice, which has jurisdiction over patent law, and the I. Civil Panel, which has jurisdiction over trademark, copyright and competition law, have different opinions regarding who is a "perpetrator" or "infringer". We discussed the differing liability concepts of the Panels and their practical effects in our October 2014 and December 2015 Newsletters. Against the background of the decision "Geschäftsführerhaftung", the highly anticipated decision "Glasfasern II" of December 15, 2015 (Case No. X ZR 30/14) on the personal liability of a managing director for company patent infringements has now been issued: In this decision, the X. Civil Panel effectuates a de facto reversal of the burden of proof: If there is a patent infringement by the company, a member of the corporate body of the legal entity is initially presumed to be liable due to his position as such, unless he can, as part of his secondary burden of proof, demonstrate in detail that he did not breach obligations that were incumbent on him personally.

- 1. In its decision "Geschäftsführerhaftung" (GRUR 2014, 883), the I. Civil Panel of the Federal Court of Justice (BGH) significantly limited the personal liability of members of the corporate body of a legal entity for the latter's anti-competitive practices. According to that decision, a statutory representative is only liable for infringing acts on the part of the company if he participated in them through his own positive acts or if he was obliged to prevent the company's infringing acts, based on his status as guarantor under the general principles of tort law, which follow the criminal law principles for determining status as a perpetrator or accomplice. By contrast, the X. Civil Panel utilises the so-called unified perpetrator concept under § 139 German Patent Act (PatG).
- The subject of the X. Civil Panel's decision "Glasfasern II" decision (decision of December 15, 2015 – X ZR 30/14) was a European patent which taught the use of fibreglass of a certain chemical composition which displays no carcinogenic potential. Four parties were sued, including a company which manufactured insulation material for housing construction from fibreglass plates, and its managing director personally.
- 3. Anticipating the result: In the opinion of the X. Civil Panel, the personal liability of the managing director was necessarily established, even though the lower courts had not made any further findings concerning specific actions the managing director had taken and the extent to which he was personally involved in the infringing acts (No. 106). Despite the differing liability concept of the I. Civil Panel, the X. Civil Panel saw no necessity of appealing to the Grand Civil Panel regarding the requirements for the statutory representative of a company to be personally liable for the company's infringements of intellectual property rights. The X. Civil Panel stated that the legal requirements for the personal liability of a managing director, established by the I. Civil Panel, had also been met in the case for decision (No. 109 et seq.).
- 4. In conformity with the jurisprudence of the I. Civil Panel, the X. Civil Panel first stated: The statutory representative's obligation to properly manage the company as an active member of the corporate body itself (cf. Sec. 43 para. 1 German Limited Liability Company Act (GmbHG) or Sec. 93 para. 1 Sentence 1 German Stock Corporation Act (AktG)) cannot emerge any liability as a guarantor within the meaning of the jurisprudence. As this obligation

namely only exists in its internal relationship with the company it does not affect third parties. Rather, personal liability requires that the statutory representative is personally responsible for protecting third parties from a potential risk or an infringement (No. 111).

5. As a next step, the X. Civil Panel examined the circumstances under which the organisational obligations of a member of a corporate body to properly conduct business, which are initially solely owed to the company internally, take on an external effect toward third parties and thus results in personal liability to third parties. The Panel stated that, with respect to rights protected by law, additional personal responsibility of the statutory representative for risk prevention (and it must be added "in the interests of third parties") beyond the responsibility attaching to his position as member of the corporate body may apply (No. 113).

The X. Civil Panel takes such personal responsibility for typically granted with respect to technical intellectual property rights, i.e. when a company manufactures technical products or introduces such products to the domestic market (No. 114). In these cases, the liability of the managing director does not result from his position as managing director per se, but from his actual and legal ability - irrespective of the legal form of the company - to control a situation that is a potential risk to third-party rights protected by law and if it can be expected from him to do so (No. 113). Such personal liability is also an expression of the situation of increased potential risk to which technical intellectual property rights are exposed and the fact that their protection would otherwise not be guaranteed (No. 116).

6. The situation of increased potential risk of technical intellectual property rights found by the X. Civil Panel has a substantial effect on the management and organisation of the relevant company: Due to the large number of patents with diverse types of subject matter, a company is always obligated to examine whether its products or processes are

within an area protected by third-party rights before engaging in a potentially patent-infringing activity (No. 115).

- 7. In the opinion of the X. Civil Panel, due to this state of potential risk, it is generally justified that the statutory representative of a company has to ensure that the company's production and sales activities do not infringe the technical intellectual property rights of third parties or at least it has to ensure that the fulfilment of this obligation is guaranteed by responsible employees. This includes ensuring that basic decisions regarding the business activities of the company are not made without the consent of the statutory representative and that the company employees entrusted with development, manufacture and sale take the required precautions to avoid infringing third-party patents (No. 117).
- 8. In light of this, in the opinion of the X. Civil Panel, the statutory representative of a company is generally subject to a secondary burden of explanation and proof regarding how it met its obligation to avoid patent infringements (No. 120). This constitutes a de facto "reversal of the burden of proof" in patent infringement proceedings, so that the patent holder does not need to demonstrate the personal responsibility of the statutory representative for the infringement. Thus, the X. Civil Panel stated that generally there is no need for any further findings that the culpable infringement of a patent by a company was based on the culpable misconduct of its statutory representative (Nos. 118 + 119).
- Finally, the X. Civil Panel gave an indication of its opinion regarding the question of the personal liability of (executive) employees for patent infringements committed in the company (for the current state of opinion compare Keukenschrijver/Busse, 7th ed., Sec. 139, No. 22 and Benkard, 11th ed., Sec. 139, No. 23). Mentioned in passing, the X. Civil Panel held that the considerations that support personal liability for members of corporate bodies can also apply to the (executive) employee who is responsible for managing the company activities

## PREU BOHLIG & PARTNER

from which the potential risk to the intellectual property rights of third parties arises (No. 113).

10. In sum, the following can be said of the decisions "Geschäftsführerhaftung" and "Glasfasern II": Within the jurisdiction of the I. Civil Panel, the plaintiff must make a detailed pleading demonstrating the personal responsibility of the managing director. For example, according to the jurisprudence of the I. Civil Panel the managing director is liable if measures were taken that are "usually" decided at the level of senior management. This means that a legal advisor runs a substantial forecasting risk - because it has not yet been determined whether such measures must be "usual" for the specific company or whether a more typological consideration must apply. By contrast, the jurisprudence of the X. Civil Panel does not require the plaintiff to make any pleading demonstrating the liability of the managing director. Rather, it is the task of the member of the corporate body to "exculpate" himself, by meeting his secondary burden of proof.



Dr. Stephan Gruber Moritz Körner Lawyers Munich Tel. +49 (0)89 383870-0 eMails: sgr@preubohlig.de mko@preubohlig.de Profile Dr. Stephan Gruber: Link Profile Moritz Körner: Link

## Patent law: FRAND - and no land in sight

You don't have to be a psychic to predict that the decision of the EJC on FRAND objection (EJC, decision dated 16 July 2015, bulletin C-170/13 Huawei/ZTE) is only the first step in case-law development. The lower courts, which are dealing with numerous questions raised and largely unsolved problems in the large number of currently pending proceedings (almost all from the telecommunications sector), need to find answers and come to a decision.

For many reasons it is not surprising that the reaction of the primarily responsible regional courts in Düsseldorf, Mannheim, and Munich regarding the FRAND objection is cautious. The intention to conclude infringement proceedings quickly with decisions on the merits is a weighty argument against granting FRAND objections in an extensive manner.

In recent times, numerous decisions have resulted from this:

The focus was partly on whether the proprietary right in suit is in fact a patent that gives the patent holder a monopoly. In the so-called NFC decision, the Düsseldorf Regional Court (decision dated 26 March 2015, File no. O 140/13) assessed a situation, in which the particular standard allowed different implementations and the patent in suit only covered one of at least two possible technical variants. Regardless of whether the particular standard (NFC) could even establish market control in the smartphone market, the Regional Court denied the market control (and with that also the applicability of FRAND defence) for the very reason that there is an implementation alternative that is patent-free and conforms to standards. Therefore, it was a special situation that was eventually correctly adjudicated. From the start, implementation patents are not SEPs.

Further first-instance decisions dealt with cases in which SEP patent holders did not comply with its FRAND conditions before filing a claim. Several decisions generously granted the patent holders remedy of their own omissions, but failed to do so for patent users. Thus, a patent holder who, once the patent was pending, but before lis pendens, offered a licence that was not specified in detail, could avoid FRAND objection, because the defendant did not respond with a counter-offer fast enough according to the understanding of the judgement. In contrast, the circumstance that this is neither in accordance with the wording nor the grounds of the EJC's decisions had to take a back seat because the decision determined, with a hypothetical consideration of causality, that the defendant should in any case have presented a FRAND contract offer on his part before or together with the statement of defence, in order to be able to be considered as a patent user willing to purchase a licence. Therefore, this omission caused him to forfeit his defence argument.

The similar strategy of another decision appeared in one case in which the patent holder did, in fact, offer a licence but not in accordance with FRAND conditions. Here too, the patent user lost the FRAND objection based on the consideration that after a first licence offer it would have been the patent user's obligation, in any case, to immediately submit a counter offer at FRAND conditions, even if the original licence offer supposedly did not meet these conditions.

Both of these decisions show the tendency of the regional courts to allow the patent holder to make up for, and therefore remedy, during the infringement proceedings, any omissions, but to fail to do so for the patent user. Given especially the many unclear legal and factual situations, this tendency causes a structural imbalance in the parties' legal defence options and also a troubling inequality in the basic fair trial principles.

The Higher Regional Court of Düsseldorf was right in correcting the previously mentioned reasoning in two decisions dated 13 January 2016, I-15 U 66/15 and I-15 U 65/15 in which it clarified that an initial licence offer of the patent holder does not trigger an obligation for the patent user to react if it does not comply with FRAND conditions. Thus, the Higher Regional Court reverts to the EJC's line of argument and once again asserts the validity of this decision which was at least questioned by the decision of the regional courts.

Furthermore, it is hoped that in the same sense, the courts of appeal also handle the make-up/remedy of omissions by the graduated duty in terms of action and reaction under the FRAND procedures, by offering all parties the same opportunity to make-up/remedy omissions, and thus restore the basic principles of fair trial.



Prof. Dr. Christian Donle Lawyer Berlin / Düsseldorf Tel. Berlin: +49 (0)30 226922-0 Tel. Düsseldorf: +49 (0)211 598916-0 eMail: berlin@preubohlig.de Link Profile: Link

## Greater clarity in actions for nullity

In our Client Letter of December 2015, we reported on the decision G 3/14 of the Enlarged Board of Appeal regarding the limited examination of clarity in opposition proceedings. According to this decision, amended claims are only examined for clarity if and to the extent that an amendment in opposition proceedings results in a lack of clarity. The BGH [Bundesgerichtshof = Federal Court of Justice] has now come to a similar conclusion in the recently published "Fugenband" decision (judgment of 27 October 2015, Case No.: X ZR 11/13).

- The starting point for the discussion of this decision is the examination of claims for clarity and explicitness in the granting procedure. For European patents, this is based on Art. 84 Sentence 2 EPC [European Patent Convention]. Under national law, this requirement is based on § 34 (3) No. 3 PatG [Patentgesetz = Patent Act] in conjunction with § 9 (6) PatV [Patentverordunung = Patent Regulation] (cf. BGH GRUR 2012, 475, no. 29 "El-ektronenstrahltherapiesystem" and the "Fugenband decision", Text no. 31).
- 2. A lack of clarity is not a ground for opposition under the EPC and is not a ground for nullity under national law. Thus the question is how to handle "unclear claims", e.g. in an action for nullity. It would appear that the BGH has addressed this matter in its "Proxyserversys-tem" decision, GRUR 2010, 709. There, in Auxiliary Request II, an additional feature was included, which was apparently taken from the description (nos. 54 + 55). The BGH denied the auxiliary request based on the lack of clarity of the newly added feature and stated in the headnote that a European patent cannot be defended in an action for nullity with patent claims that do not satisfy the requirement that the wording of a claim must be explicit, clear and concise.
- 3. In the "Fugenband" case, a feature already contained in the granted claims was to be ex-amined for a lack of clarity. The BGH refused to do so and stated: Neither the European Patent Convention nor the German Patent Act requires an examination of already granted claims for clarity. With a patent, which has been granted or amended in opposition pro-ceedings, the patent proprietor has received a legal position of

which the proprietor can on-ly be deprived, in whole or part, in the cases provided for by law, i.e. if there is a ground for opposition or nullity. The European Patent Convention and national law exhaustively gov-ern the grounds for opposition and nullity, which do not include a lack of clarity. It follows that an examination for clarity is not permitted if the presumed lack of clarity was already contained in the granted claims.

4. For the rationale for this conclusion, the BGH makes reference to the decision of the En-larged Board of Appeal in G 3/14. However, the "Proxyserversystem" decision is not cited in the "Fugenband" decision. We must still wait to see whether the BGH also adopts the decision of the Enlarged Board of Appeal when the lack of clarity of an auxiliary request is based precisely on additional features that were not examined in the granting procedure.



Dr. Axel Oldekop Lawyer Munich, Düsseldorf Tel. Munich: +49 (0)89 383870-0 Tel. Düsseldorf: +49 (0)211 598916-0 eMail: axo@preubohlig.de Link Profile: Link

## Burden of proof in cancellation proceedings before the ordinary courts pursuant to Sec. 55 Trademark Act (MarkenG)

# By way of its judgement of 04 August 2015, reproduced inter alia in GRUR-RR 2015, 526 pp., the Higher Regional Court of Hamm issued an opinion on the burden of proof in cancellation proceedings before the ordinary courts pursuant to Sec. 55 MarkenG.

The applicant in this case is the holder of a community trade mark applied for on 15 Novem-ber 2004 and registered on 25 January 2006, consisting of the word element "Grillstar" with the images of an arrow and a fire bowl held, mainly in red colour. The defendant is the holder of a community trade mark applied for on 13 August 2008 and registered on 13 November 2008, which consists of the word element "Grillstar.de", with the image of a star bow in the colours yellow and black.

On appeal, the plaintiff also asserted the cancellation of the defendant's mark for "retail ser-vices, including online, namely in respect of barbecue equipment and accessories". Its action for cancellation was primarily based on the revocation of the defendant's mark pursuant to Sec. 49 para. 1 MarkenG and, in the alternative, on its prior community mark pursuant to Sec. 51 para. 1 MarkenG.

The action again proved unsuccessful in the 2nd instance.

### Regarding the grounds for cancellation for expiry pursuant to Sec. 49 para. 1 MarkenG

Pursuant to Sec. 49 para. 1 MarkenG, a registered trademark is cancelled on grounds of ex-piry if the trademark has not been put to actual use for a continuous period of five years after the date of registration.

The plaintiff had apparently only presented the following declaration in this context: "The de-fendant is not utilising the German word/figurative mark No ......"GrillStar"."

The court initially made some general remarks

on the use of a service mark necessary for maintaining the protection of rights. As opposed to a trademark, service marks lack the phys-ical connection between the mark and the "product". Acts of use for a service mark are thus generally limited to affixing the mark on the business premises, and to use on objects used in the course of service provision, such as particularly on work wear, business correspondence and documents, brochures, price lists, invoices, announcements and printed advertising.

The court further stated that the burden of proof for presence of the cancellation conditions on grounds of expiry is generally borne by the applicant for deletion. As part of the primary bur-den of proof, the applicant must at the very least set out all evidence indicating the lack of use of the mark. Possible indications would be an internet search or an on-site visit for a physical business.

In the present case, the applicant had not submitted any such indications. The mere assertion that the defendant did not utilise its mark actually within the prior five years was not sufficient in the court's opinion. For this reason, the court dismissed the action for cancellation on grounds of expiry.

*Note 1*: If the applicant had set out all available evidence for non-use of the mark by the defendant, it would have been up to the defendant to respond. The defendant would then have been re-quired to demonstrate the actual use of the mark in the scope of its secondary burden of proof pursuant to Sec. 138 para. 2 ZPO [Code of Civil Proceedings].

*Note 2*: As a guide what proofs are "accessible" to the applicant and must be furnished, the court cit-

ed an internet search or possibly on-site visit. The author of the present paper, before filing of a cancellation action for expiry, always has a use search made, and only initiates the action for cancellation if the research indicates non-use of the contested mark. A use search is also deemed "accessible" to the applicant. Since the Higher Regional Court [OLG] of Hamm re-quires the applicant to submit all evidence available to it, it also stands to reason that the ap-plicant be required to have a use search done. If it fails to do so, it would not meet the burden of proof consistent with the opinion issued by OLG Hamm, and lose the case for this very reason.

*Note 3*: Claims asserted by owners of marks that are expired may initially be opposed by asserting that the opponent's mark is not in use. In this case, the extent of the burden of proof differs from that of the applicant's in deletion proceedings on grounds of expiry. The defendant's mere objection to non-use must then be countered by the applicant by way of demonstration of actual use of the "attacking mark".

### Regarding deletion due to the existence of prior rights pursuant to Sec. 51 para. 1 MarkenG

In the alternative, the applicant supported the action for cancellation on its prior community mark consisting of the word element "Grillstar" with the images of an arrow and a fire bowl, mainly in red color. The defendant's contested mark consists of the word element "Grill-star.de" with the image of a star bow in the colours yellow and black.

The court denied any similarity between the marks at issue, and made the following remarks in this regard:

In case of coincidence or similarity of individual components in marks with multiple components, similarity between the marks only applies if the matching (or at least similar) individual components dominate the overall impression of the mark under objection. The characterisa-tion of a mark with several components by one or more components applies if the remaining components recede into the background in such a way that they are negligible in terms of the overall impression. A component that is of merely descriptive character or otherwise unsuita-ble for protection does not suffice to characterise a mark in this sense (ongoing case-law, cf. especially Ströbele/Hacker, Sec. 9, para. 364 et seq. with citations).

The court continues by stating that the word "Grillstar", for the services in the barbecue sector at issue here, only has a purely descriptive or advertising significance. The word "Grillstar" was said to be lacking any distinctive character. The public would not interpret the compound term "Grillstar" consisting of the word elements "Grill" and "star" to be no more than a general promise of quality in the field of barbecuing and associated products. The word element "Grill" was to be regarded as purely descriptive in relation to the services in question. The public would easily and without further analysis understand the word element "star" as a mere gen-eral promise of quality with respect to the products described by the word element "Grill" ("topquality products for your BBQ").

The word element "Grillstar" was thus ruled to be negligible when considering the likelihood of confusion between the marks at issue.

Accordingly, solely the respective image components were of significance in the present case. These image components, an arrow and a fire bowl on the one hand, and a star bow in different colours on the other, were dissimilar, which means that no overall similarity between the marks at issue was present.

Consequently, the court also denied the grounds for cancellation due to the presence of prior rights pursuant to Sec. 51 para. 1 MarkenG.



Jürgen Schneider Lawyer Munich Tel. +49 (0)89 383870-0 eMail: jsc@preubohlig.de Link Profile: Link

## New EU Trade Mark Regulation Taking Effect

## On 26 March 2016, the new Regulation of the European Parliament and the Council on EU Trade Marks took effect (Regulation (EU) 2015/2424 dated 16 December 2015).

This Regulation amends and supplements numerous provisions of the previous regulations, "Regulation (EC No. 207/2009) of the Council regarding Community Trade Marks" and "Regulation (EC) No. 2868/95 on the Implementation of Regulation (EC) No. 40/94". In addition, EC No. 2869/95 on the fees payable to the Office for Harmonisation of the Internal Market was repealed and a new fee structure was introduced.

The new Regulation ushers in numerous changes, including:

### <u>1. Protection based on the reputation of a known</u> <u>trade mark, Article 8 (5)</u>

In Article 8 (5), the prerequisites for an opposition based on the recognition of the registered earlier trade mark are specified in the sense that what is relevant is not whether the goods or services for which the more recent trade mark is to be registered are identical, are similar or not similar to the goods and services for which the earlier trade mark is registered.

### 2. Transit of goods, Article 9 (4)

When the new Regulation takes effect, the rights of the trade mark proprietor with respect to the transit of goods will be strengthened. Under the new Article 9 (4), trade mark proprietors now have the right to prevent the importation of goods into the EU, even in transit, if the goods, including packaging, come from third countries and, without the authorisation of the trade mark proprietor, bear a trade mark that is identical with the EU trade mark registered with respect of such goods or which cannot be distinguished in its essential aspects from that trade mark. This means that any importation of trade markinfringing goods into the customs territory of the EU fulfils the elements of the offense of trade mark infringement. However, this entitlement lapses if the declarant or the holder of the goods proves that the proprietor of the EU trade mark is not entitled to prohibit the placement of the goods on the market in the country of final destination.

#### 3. Right to prohibit preparatory acts, Article 9 a

Article 9 a grants the trade mark proprietor the right to prohibit preparatory acts in connection with the placement of trade marks on packaging, labels or other identifying markings.

### <u>4. Provision on the establishment of intervening</u> rights, Article 13 a:

Similar to German law, Article 13 a now governs the establishment of the interim rights of a proprietor of a trade mark registered at a later date. These interim rights are designed as a defence in infringement proceedings.

## 5. Designation and classification of goods and services, Article 28

It is important to clarify the list of goods and services for proprietors of EU trade marks applied for before 22 June 2012. The background of the provision is that, up until now, a trade mark has protected all of the goods and services of a particular Nice Class if the proprietor states the full heading of the Nice Class in the list of goods and services. Now, with new applications for a trade mark, the trade mark only protects the goods and services that are clearly covered by the heading indicated in the list.

Proprietors of EU trade marks applied for before 22 June 2012 may clarify to the Office that, on the filing date, it was their intention to seek protection for goods or services beyond those covered by the literal meaning of the heading of that class, provided that the goods or services so designated are included in the alphabetical list for that class in the version of the Nice Classification in force on the date of filing. The deadline for filing such a declaration with the Office will expire on 24 September 2016. The declaration must indicate in a clear, precise and specific manner the goods and services that were not clearly covered by the literal meaning of the terms in the class heading under which they were originally intended to be registered by the proprietor.

If no such declaration is filed by 24 September 2016, the EU trade mark shall only protect those goods or services that are clearly covered by the literal meaning of the terms in the heading for the relevant class (Article 28 (8), 3. Abs.).

### 6. Proof of use, Article 42

Under the new Regulation, to the extent that a proprietor must prove that rights to the trade mark were preserved through use, a proprietor who files an opposition must provide proof of use for the last five years before the date of filing or the date of priority of the EU trade mark, and not only from the date of publication of the contested trade mark.

#### 7. Certification mark, Article 74a et seq.

A new provision makes it possible to register a so-called EU certification mark, which protects seals of approval or industrial standards against abuse.

#### 8. Changes in fees

The fee structure has been changed, inter alia, for applications and extensions. Electronic application for an EU trade mark:

- First class: EUR 850,-
- Second class: EUR 50,-
- Third and subsequent classes:

EUR 150,- per class

## PREU BOHLIG & PARTNER

If a paper application is filed, an additional EUR 150 is due for the first class, i.e. a total of EUR 1,000; starting with the second class, the fees remain the same.

The fees for an electronic extension are reduced to:

- First class: EUR 850,-
- Second class: EUR 50,-
- Third and subsequent classes:

EUR 150,- per class

If a paper application for an extension is filed, an additional EUR 150 is due for the first class; starting with the second class, the fees remain the same.

Thus an extension of EU trade mark protection costs the same amount as a new application.

According to the notice issued by the President (No. 2/2016 dated 20 January 2016), the new extension fees apply to all EU trade marks that expire on or after 23 March 2016, even if an extension has already been applied for and the fees have already been paid on the date that the Regulation takes effect. If there is an overpayment, the excess amount of fees will be refunded.

### 9. Terminology

Finally, some of the terminology has been changed: The "Community trade mark" has been replaced by the "EU trade mark", and the terms "Community" and "European Community" have been replaced by "EU". The Office for Harmonisation in the Internal Market has now been redesignated as the "European Union Intellectual Property Office".



Astrid Gérard, LL.M. Attorney at Law Munich Tel. +49 (0)89 383870-0 eMail: asg@preubohlig.de Link Profile: <u>Link</u>

## Medical apps may be medical products

Apps are software applications for mobile phones and tablets; this is a current and highly dy-namic topic. Apps have features to measure our fitness levels, give us health advice, remind users to take medication or calculate the dosage of drugs, and analyse data such as blood sugar or blood pressure levels, to name just a few examples.



The fascinating possibilities of such applications evoke the infinite expanses of outer space and Star Trek style body scanners; according to a survey published on 06 August 2015 in the German medical journal Ärzteblatt, as much as 16% of the population believe health apps could replace the doctor's visit.

The more factual earthly reality reveals that the number and distribution of apps is increasing rapidly, and often without compliance with relevant legal requirements. After all, a range of the popular medical apps fall under the medical device regime, and require certification.

On Google Play alone, a simple Internet search reveals 300 "top apps" in the medical catego-ry. Among them, for instance, the "DRACO wound app", a practical doctor and nursing advi-sor to assist in the ambulatory care for chronic recurrent wounds. Here one can query infor-mation, have them evaluated, and receive advice on "optimal" and affordable wound care, which means that this app most likely constitutes a class I medical device. In any case, diabe-tes apps like Accu-Check Connect or mySugr Companion Pro require certification as medi-cal devices if an interface to measuring devices is implemented. Furthermore, there is a vi-sion test app for periodic review of visual acuity. This app, as well as a hearing test app, are probably medical devices that are subject to certification requirements.

There is also a "Jameda doctor search" app, which promises finding "the right doctor for you among 275,000 in Germany". This app works much like a phone book with a geographical overview, with the option of making appointments; in terms of its purpose, it is not classified as a medical device. Another app, "Internal organs 3D (anatomy)", which contains three-dimensional models and descriptions of the organs of human body for rotation in three dimensions and zooming, and may be useful in studies of medicine or biology, is also certainly not a medical product. However, the distinction of medical devices for information purposes or wellness apps is not always easy.

The Federal Institute for Drugs and Medical Devices held a dialogue session titled "BfArM in Dialogue: Medical Apps" to this end, and has made available a "Guidance for Medical Apps" on its website as of the beginning of October 2015. The Federal Institute wishes to provide assistance in distinguishing between a pure wellness app and a medical device. Manufactur-ers are supplied with instructions for delimiting their apps by the intended use, labelling, user instructions and promotional materials on the basis of possible "clue terms" or "clue features", as well as examples of delimitation and detailed representation regarding the risk classification of apps.<sup>1,2</sup>

1) Veranstaltung vom 24.03.2015, veröffentlicht auf der Homepage des BfArM

<sup>2)</sup> http://www.bfarm.de/DE/Medizinprodukte/Abgrenzung/medical apps/ node.html

App developers should bear in mind that medical apps classified as medical devices are sub-ject to CE marking requirements, and apps that are marketed as medical devices must com-ply with the same rules as all other medical devices, e.g. reporting requirements. Distribution of medical devices without CE marking, in violation of Sec. 6 para. 1 sentence 1 MPG [Med-ical Devices Act], is a criminal offence pursuant to Sec. 41 no. 2 MPG.

The delimitation of medical information or wellness applications from medical devices is not always easy. The identification of a stand-alone software such as a smartphone or tablet app as a medical device is based on the basic definition pursuant to Sec. 3 No. 1 MPG, which defines medical devices as "... software ... or other items, including software employed by the manufacturer for diagnostic or therapeutic purposes, or for the proper functioning of medical devices, and which the manufacturer intends to be used for human purposes with features of

a) the diagnosis, prevention, monitoring, treatment or alleviation of diseases ...".

The delimitation from other product categories takes place on the basis of the subjective and objective intended purpose. The borderline is generally reached when what is provided is no longer purely information and the app intervenes by shaping data or information, the mere storage of data or communication in itself not resulting in classification as a medical device. For instance, a calorie counter app intended to support the user in getting that perfect bikini or swimsuit figure would be a pure wellness product, while a bread units counter app for diabet-ics with an integrated proposal calculator for insulin dosing is a medical device, and must thus be certified.<sup>3,4,5</sup> The classification of medical devices is regulated by Sec. 13 para. 1 MPG in conjunction with Appendix VIIII of Directive 93/42/EEC. According to rules 9-12, most medical apps likely be-long to Risk Class I, or otherwise, for example when it comes to diagnosing or monitoring vital functions, of Class IIa or IIb.

Other decision-supporting tools are defined in MED-DEV 2.1/6 rev. 1 "Qualification and Classi-fication of stand-alone software", a guideline for the delimitation and classification of standalone software by the European Commission, which has also prepared further advice, such as the "Commission Staff Working Document on the Existing EU Legal Framework Ap-plicable to Lifestyle and Wellbeing Apps", SWD (2014) 135, final as of 10 April 2014, a com-panion document to another EU publication on this issue, "Green Paper on Mobile Health ("mHealth")", COM (2014) 219 final. Other health authorities have issued delimitation advice on their websites, such as the MHRA in the UK with the document "Guidance - Medical De-vice Stand-Alone Software Including Apps" of August 2014.

In any case, manufacturers of wellness or health apps should consider whether certification as a Class I medical device, which is currently the sole responsibility of the manufacturer, or as a Class IIa or IIb medical device with the required involvement of a Designated Body is required at the development stage, but at the very latest prior to market launch.<sup>6</sup>

<sup>3)</sup> Pharmarecht, Meier/von Czettritz/Gabriel/Kaufmann, 3. Teil "Medizinprodukte", III., S. 192 ff.

<sup>4)</sup> http://www.bfarm.de/DE/Medizinprodukte/Abgrenzung/medical\_apps/\_node.html

<sup>5)</sup> According to Dr. Wolfgang Lauer, Head of Medical Devices at BfArM in an interview with Mediz-intechnologie.de, 26 October 2015.

<sup>6)</sup> Siehe Pharmarecht, Meier/von Czettritz/Gabriel/Kaufmann, 3. Teil: Medizinprodukte, VIII, S. 206 ff.



Peter von Czettritz Lawyer Munich Tel. +49 (0)89 383870-0 eMail: pcz@preubohlig.de Link Profile: <u>Link</u>

Tanja Strelow Diplom-Biologin, Lawyer Munich Tel. +49 (0)89 383870-0 eMail: tst@preubohlig.de Link Profile: Link

## Preu Bohlig & Partner listed in "LMG Life Sciences 2015"

The "LMG Life Sciences 2015" manual listed Preu Bohlig & Partner in the following categories:

Regulatory: Highly Recommended

IP: Recommended

Peter von Czettritz, an attorney and the practice group leader, was also named a **Life Science Star** in the **Regulatory** and **Intellectual Property** categories.

"Described by a peer as ,prominent' in his field, partner Peter von Czettritz has a wealth of experience in drug law, advertising matters and the healthcare system, and is widely known in the market for his patent litigation skills. He (...) is ,highly responsive, very knowledgeable about the pharmaceutical business and understands our needs,' notes a client."

### <u>Link</u>



### Summary & Overview: BGH I ZR 74/14 and VI ZR 93/10 BGH Liability for hyperlinks in competition law and liability for third party statements on the Internet

The homepage of a therapist: At the top, advertising for "implant acupuncture", at the end of the text, the remark "further information on the studies situation". This is accompanied by a clickable link to further information on another website. The Verband Sozialer Wettbewerb e.V. regards this as unethical, and has initiated proceedings against the therapist. The argument: The linked site allegedly contains misleading statements.

The therapist removed the link from the site following the Plaintiff's written warning. However, he was not willing to issue a cease and desist declaration for the future. And "rightly so", as the judges at the Federal Court of Justice in Karlsruhe found in this case. Since the remarks on the linked website were not attributable to the therapist, there is no claim for injunctive relief.

According to § 8 of the Act against Unfair Competition (Gesetz gegen den unlauteren Wettbewerb -UWG), an injunction may only be claimed for illegal business activities. The court stated that links on the home page also constitute a business activity, since their purpose was the provision of information on and advertising the therapist's offer to Internet users.

However, in addressing the issue of whether the therapist is actually liable for the information furnished on the third website, the judges found that this was not so. The central consideration is whether the traffic attributes statements on the other website to the party who provided the link? The decisive factor was said to be the "objective perspective of a circumspect, average user based on an overall consideration of all the circumstances".

The judges ruled to the contrary in this particular case. In purely objective terms, the therapist did not make the remarks on the other website his own. The link did not redirect the user to advertising for the services of the therapist, and was also not embedded in the website in a manner that made it essential for comprehension of the content provided.



Furthermore, the link did not direct users directly to the allegedly anti-competitive content, but rather to a neutral page leading to the content at issue, which was weighed to the advantage of the therapist. The court found that, after all, the link was comparable to further literature suggested at the end of an article, permitting interested web users to tap into additional sources of information on a specific topic independently. The court felt that it would be far-fetched to suggest that the therapist intended to take on substantive responsibility for the contents of the other website.

The setting of hyperlinks was said to increase the danger that illegal content on the Internet is more widely circulated. Site owners setting links must minimise this risk to a feasible and reasonable extent. The judges felt that otherwise liability for injury of a duty of care under competition law may be conceivable. Specifically, this means that an entrepreneur setting a hyperlink for business purposes has the obligation to verify whether the third party's site has infringing contents.

In respect of the scope and time of emergence of this obligation, the Federal Court of Justice adjudicated prudently: It is to be considered, that "the sensible use of the immense wealth of information on the Internet would be largely restricted without the use of hyperlinks to link accessible files". Where links merely facilitate access to already publicly available sources, the principles of freedom of expression and freedom of the press mean that the requirements must not be too stringent. Plainly formulated: Entrepreneurs who place links on their website are not generally required to verify all linked content for possible infringement. However, if the entrepreneur learns that the linked contents are or might be unlawful, action is required. Proactive monitoring duty is therefore not required, but response duty is.

The BGH had already issued very similar guidelines for privacy rights issues in October 2011. The specific case dealt with the operator of the Internet platform www.blogspot.com, which permits users the creation of blogs to publish content. The question was whether the platform operator is liable for violations of privacy rights by its users?

Very concisely, the judges initially noted: "The defendant is [...] only subject to limited responsibility", since it had neither written the offending blog entries, nor appropriated the content as its own. It simply made available the technical possibilities of a blogging platform, and may in any case solely be liable for breach of duty of care. The prerequisite for such a breach of duty, in turn, was said to be the violation of reasonable rules of conduct, in particular of due diligence duties.

In this context, hosting providers are not obliged to check the contributions made by their users on the network for possible rights violations prior to their publication (no proactive due diligence or monitoring obligation). However, the provider may be held responsible as soon as he has knowledge of an infringement. Once an affected party notifies the hosting provider of a violation of its privacy rights by the user of the host's blog, the hosting provider must take proactive measures and investigate the accusation at the very least (response obligation). Otherwise, he may be liable as interferer (stoerer).

Determining whether an infringement of privacy rights applies may be difficult for the provider. The Federal Court of Justice has thus issued a decisionmaking pattern that is both sophisticated and simple: The hosting provider is only required to take action if the notice of the affected party regarding the relevant infringement is sufficiently specific. If this is the case, the provider is required to forward the complaint to the party responsible for the blog, and delete the entry at issue should the blogger fail to respond to the allegations within the prescribed period. If the blogger objects to the validity of the complaint in a substantiated manner, the statement is returned to the objecting party. If there is no further response, the entry may remain online. However, the post is to be deleted if, after an exchange of arguments, it is proven that an infringement is indeed present.



Michael-Matthias Nordhardt Dr. Oliver Scherenberg Lawyers Hamburg Tel. +49 (0)40 414299-0 eMails: mno@preubohlig.de ols@preubohlig.de Profile Michael-Matthias Nordhardt: Link Profile Dr. Oliver Scherenberg: Link

## **No friends on Facebook**

Facebook has recently suffered a defeat in a dispute with consumer advocates before the German Federal Court of Justice "BGH" (judgement of 14 January 2016 - see decision I. ZR 65/14- Freunde finden [Friend finder]) in respect of the Facebook "Friend finder" feature. By accepting the Facebook invitation prompt "Are your friends already on Facebook" to connect with them on the social media platform, the mail address book of the user was imported to Facebook, and all listed contacts of the user, including those that were previously not registered on the network, were automatically invited by mass e-mail to join.



Invites issued by Facebook users to e-mail contacts not previously a member of Facebook are permissible under competition law. What then makes the Facebook "Friend finder", which is implemented similarly on other social media platforms, inadmissible under competition law?

The main issue is in the fact that such "automatic" bulk invitation e-mails are considered as advertising within the meaning of competition law regardless of the fact that they are dispatched by registered Facebook users intending to "find friends", since the feature is provided by the platform to invite third parties to participate in Facebook. Any e-mails sent in bulk by way of the specific Facebook feature cease to be considered private communications of the user, but rather as advertising for the social media platform. In case law, the concept of advertising is interpreted rather broad. According to the legislator, the activities of a company geared at the sales promotion for its products or services, which encompasses the indirect promotion by image advertising or sponsorship in addition to direct product-related advertising, qualify as advertising (cf. BGH GRUR 2013, 259, 260 - Recommendation e-mails). According to this broad definition, unsolicited referral e-mails sent by users to third parties via company websites (tell-afriend feature), are assessed in the same manner as unsolicited promotional e-mails by the company itself, and are qualified as unacceptable harassment pursuant to Sec. 7 para. 2 no. 3 UWG [Unfair Trade Practices Act].

In the current "Friend finder" judgement, the court also resolved that such invitation e-mails are to be regarded as advertising for the social media platform rather than private messages from the "Facebook" user from the perspective of the addressees. According to the BGH, invitation e-mails to recipients without their express consent qualify as unacceptable harassment pursuant to Sec. 7 para. 2 no. 3 UWG. The full text of the decision has yet to be published; it remains uncertain whether this gualification of invitation e-mails as advertising also applies if the recipients of the invitation e-mails are already registered on Facebook. The other interesting question pertains to the conditions under which, once the user mail address account has been imported to the Facebook user account, invitation e-mails by the social media platform for advertising purposes would no longer be regarded as unlawful. This would most likely be the case if the user sends invitation e-mails to specific recipients selected by him from the list of his social media address account via the social media platform, or composes the texts to the e-mail distributor individually.

## PREU BOHLIG & PARTNER

The other issue to be clarified is how such invitation e-mails are to be designed in terms of header and other contents of the invitation e-mail, for instance by omitting visually distinct advertising elements in such a way that the invitation e-mail is no longer seen by the recipients as advertising for the social media platform.

The BGH has not only found the "Friend finder" feature to be contrary to Sec. 7 para. 1 and 2 No. 3 UWG, but also objects to it as being a misleading commercial practice under Sec. 5 UWG. The commercial practice within the meaning of Sec. 2 para. 1, No. 1 UWG would be to provide the "Friend finder" feature to the user. The information, apparently lacking in precision, which Facebook sent to its users at the time the complaint for the feature was made in November 2010, are said to have deceived the users about the nature and extent of the use of their personal e-mail contact data in violation of Sec. 5 UWG. Apparently, during the first step of the registration process for the import and utilisation of e-mail contact data, users only received the guestion "Are your friends already on Facebook?", without an indication that the e-mail contact data imported by the user was to be evaluated, retained by Facebook, and that bulk invitation emails were then be sent to all contacts, including those not previously registered with Facebook. The relevant information was contained in another notice "Your password will not be stored by Facebook" in a manner not immediately perceptible to the user. The BGH has thus taken the view that obscured notices of this sort are insufficient to pre-empt deception of the affected Facebook users.

Regardless of the admissibility of such marketing measures of the social media platform under competition law, the issue of data protection is to be assessed separately. In any case, the consent of the social media platform user to the processing and use of e-mail contact address data is mandatory for compliance with data protection laws.



Dr. Christian Breuer Lawyer Munich Tel. +49 (0)89 383870-0 eMail: cbr@preubohlig.de Link Profile: Link

## AIPLA Annual Meeting 2015 – Washington D.C.

The Annual Meeting of the American Intellectual Property Law Association (AIPLA) was held in Washington D.C. from 22 until 24 October 2015.



Capitol, Washington D.C.

The annual meeting of the AIPLA in Washington D.C. with around 2,000 IP professionals from around the world has established itself as an international forum for discussion of developments and trends in intellectual property rights not only in the US but also in other countries.

The 2015 Annual Meeting covered a wide range of topics focusing on patent applications in the US, the latest rulings by US courts in case law on patent infringement, recent developments in trademark and copyright law, as well as the ever-increasing importance of protecting commer-cial and industrial secrets. In addition to various lectures on the individual areas of expertise, and workshops, which generated lively discussions among trade visitors, the presentation of the Di-rector of the USPTO, Michelle Lee, and the judge at the US Court of Appeals for the Federal Circuit, Mr. Alan D. Lourie, were among the highlights of the event.

As part of a range of accompanying networking events, the Annual Meeting also organises the LGBT Diversity Reception and the final ball as a way of forging new contacts with colleagues from around the world, as well as establishing and intensifying existing contacts.

Preu Bohlig & Partner were once again represented by Moritz Körner, member of the US desk at Preu Bohlig & Partner, and are planning to profit from this highly productive meeting this year as well as a bridgehead for expanding Preu Bohlig & Partners' existing network particularly in the US.



### 8th Global IP Convention 2016 – New Delhi, India

This year's Global IP Convention was held in New Delhi, India, from 7 to 9 January 2016.



Rashtrapati Bhavan, Neu-Dehli

More than 400 experts from around the globe came together to discuss international developments and trends in commercial IP law. Participants included prominent representatives of the European Patent Office, WIPO, the Indian patent office, and judges, including high-ranking representatives from the industry, who enriched the event with their presentations. International trends impacting the Indian market were a particular focus. Dr. Alexander Harguth represented Preu Bohlig & Partner with a lecture on the dynamics balancing the interests of competition law and patent law, especially in the light of the ECJ's Huawei decision (file no. C-170/13) dated July 2015 and decisions made by national courts in Europe afterwards. The lecture was put in a broader international context through contributions made by colleagues from India and the United States. Preu Bohlig & Partners plans to participate in this very fruitful event next year as well and use the opportunity to further extend its network in Asia, in particular in India.



Dr. Alexander Harguth (Preu Bohlig & Partner)

## **Current lectures and seminars**

### Below you find a list of current lectures and papers by our lawyers:

Information on seminar activities	Date, Place	Speaker(s)
"Extension of duration by a paediatric investigation plan", Supplementary Protection Certificate, forum seminar, Link: <u>PDF</u>	10./11. November 2016, Radisson BLU Hotel Amsterdam	Peter von Czettritz

## Would you like to receive our Newsletter?

PREU BOHLIG & PARTNER Ms Anja Friedrich **Telefax +49 (0) 89 383870-22** or anf@preubohlig.de

If your colleagues or members of other departments would be interested in receiving our newsletter, please send the completed form to the fax number or email address above.

Firm				 	 
Name				 	 
Position				 	 
Address				 	 
Postcode/Town				 	 
E-Mail (required)				 	 
Newsletter	🗆 German	□ English	□ French		

The PREU BOHLIG & PARTNER newsletter is sent out periodically by email. If you no longer wish to receive our newsletter, please send an email to the reply-to address on the newsletter email or to the above email address. You will be removed from our subscriber list immediately. The newsletter is of course free of charge.

## **Unsere Standorte**

### Berlin

Grolmanstraße 36 10623 Berlin Tel +49 (0)30 226922-0 Fax +49 (0)30 226922-22 berlin@preubohlig.de

### Munich

Leopoldstraße 11a 80802 Munich Tel +49 (0)89 383870-0 Fax +49 (0)89 383870-22 muenchen@preubohlig.de

### Düsseldorf

Couvenstraße 4 40211 Düsseldorf Tel +49 (0)211-598916-0 Fax +49 (0)211-598916-22 duesseldorf@preubohlig.de

### Paris

139, boulevard Haussmann F-75008 Paris Tel +33-1-53 81 50 40 Fax +33-1-53 81 50 41 paris@preubohlig.de

### Hamburg

Tesdorpfstraße 8 20148 Hamburg Tel +49 (0)40 414299-0 Fax +49 (0)40 414299-22 hamburg@preubohlig.de

### Imprint:

To read our imprint please follow the link: http://www.preubohlig.de/english/impressum.php

Editor: Preu Bohlig & Partner, a partnership based in Munich, entered in the partnership register of the Municipal Court of Munich (Germany) under PR2.

Picture credits: © Fotolia.com, Stefan G. König

© Preu Bohlig & Partner 2016. All rights reserved.



www.preubohlig.de