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Preu Bohlig expands Hamburg office Dr. Jan Peter Heidenreich, LL.M. strengthens the soft IP capabilities

The expansion of the Hamburg office continued at the beginning of 2021. Dr Jan Peter Heidenreich, LL.M. joined Preu Bohlig & Partner as a partner from the Hamburg IP boutique Harmsen Utescher. He will establish and expand the soft IP practice area. In addition, he will be active in the area of competition and antitrust law.

Dr. Heidenreich represents clients in the entire field of intellectual property law with a focus on trade mark and design law as well as copyright and competition law. He has extensive experience in infringement disputes and regularly advises clients (in particular on advertising measures and product designs as well as on national and international trade mark application strategies). He also advises clients on licensing and distribution agreements and represents them in regulatory and judicial antitrust proceedings. Another focus of his work is advising clients and representing them in and out of court in cosmetics and medical products advertising law.

We are very pleased to have found Dr. Heidenreich, a renowned IP lawyer, to strengthen our Hamburg office. In addition to our core expertise in patent infringement law and trade secret law, we are now able to offer genuine expertise in the field of soft IP as well as in important related areas, such as antitrust law. Dr. Heidenreich's expertise in cosmetics law also enables the firm to further expand the firm's Life Sciences practice, which was recently strengthened by the entry of Dr. Alexander Meier.

With Dr. Heidenreich, we are in a position to provide even more comprehensive advice and representation in the entire field of IP law. We are thus living up to our claim of being a leading law firm in all areas of IP law.



**Dr. Jan Peter
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Preu Bohlig appointed four Counsel as of 1 January 2021

Preu Bohlig appointed **Ms Tanja Strelow**, **Dr Stephanie Thewes**, both from the Munich office, **Mr Martin Momtschilow** from the Düsseldorf office and **Mr Christian Holtz** from the Hamburg office as Counsel with effect from 1 January 2021.

With these appointments, we recognise years of successful work. All of the appointees have not only demonstrated outstanding legal skills, but also a constant commitment to providing the best advice to our clients at all times. They thus contribute significantly to the success and positive development of Preu Bohlig & Partner.

About Tanja Strelow



Ms Strelow has been working in the Munich office of Preu Bohlig & Partner since 2009 in the field of life sciences.

Due to her double qualification, she is also able to penetrate complex scientific issues and prepare them in a legally sound manner.

Her work focuses on advising on product presentation and advertising as well as on delimitation issues in the classification of products as medicinal products, medical devices or foodstuffs. Her scope of advice equally includes representation and advice vis-à-vis supervisory and licensing authorities as well as assistance or representation in competition law proceedings and administrative proceedings through all instances.

Tanja Strelow is the author of numerous publications, in particular on pharmaceutical and medical device law, and co-author of the commentary on the MPG in the reference book "Pharmarecht" by Meier/von Czettritz/Gabriel/Kaufmann, the 2nd edition of which was published in September 2018.

About Dr Stephanie Thewes

Dr Thewes has been working in the Munich office of Preu Bohlig & Partner since 2010 in the field of competition and pharmaceutical law, specifically in drug



advertising law as well as trade mark and patent law. Before joining Preu Bohlig & Partner in January 2010, Dr Thewes worked for a BGH law firm in Karlsruhe for nine years, where she was involved in a large number of proceedings in the field of competition, medicinal product advertising and trade mark law.

Dr Stephanie Thewes is the author of numerous publications, in particular on pharmaceutical and competition law, and co-author of the commentary on the HWG and UWG in the reference book "Pharmarecht" by Meier/von Czettritz/Gabriel/Kaufmann, the 2nd edition of which was published in September 2018.



About Martin Momtschilow

Since 2011, Martin Momtschilow has been working in the Düsseldorf office of Preu Bohlig & Partner in the field of intellectual property law, in particular patent law.

Martin Momtschilow has many years of experience in the enforcement and defence of technical IP rights in complex litigation and time-critical preliminary injunction proceedings. In addition to representing clients in cross-border patent infringement proceedings, he has also handled complex disputes in the field of trade mark and design law as well as the protection of trade and business secrets. Martin Momtschilow is also a lecturer in IT law at the Niederrhein University of Applied Sciences in Krefeld.

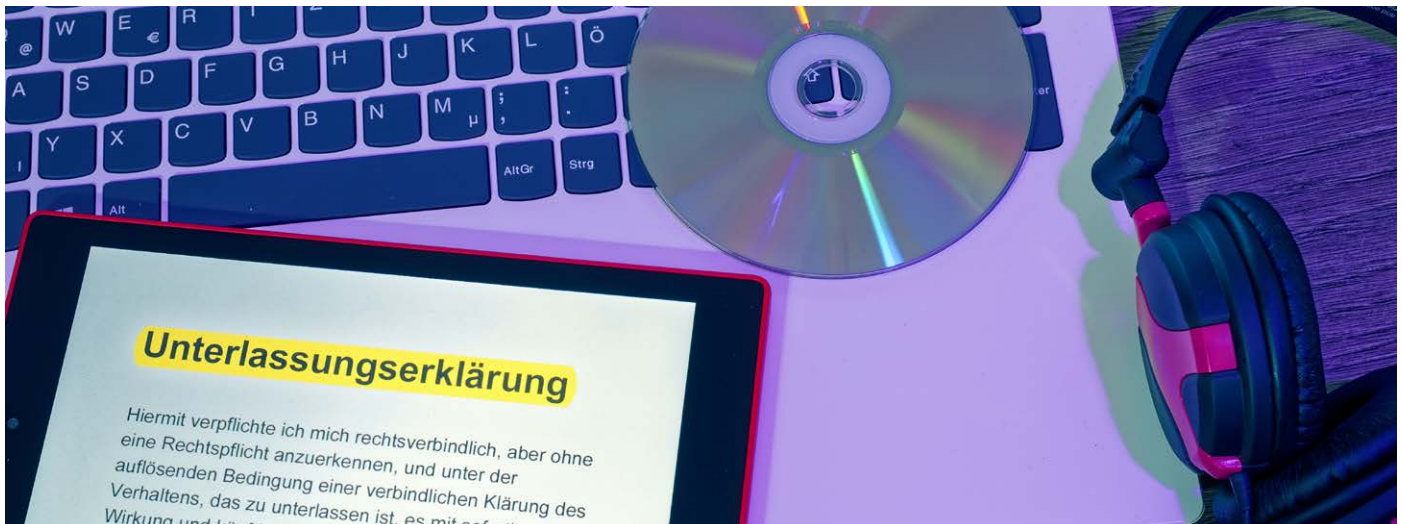


About Christian Holtz

Christian Holtz has been working in the Hamburg office of Preu Bohlig & Partner in the field of intellectual property law since 2017. Before joining Preu Bohlig & Partner, Mr Holtz worked for several years at leading other law firms in the field of intellectual property.

Christian Holtz advises and represents domestic and foreign companies in matters of patent and utility model law, with a focus on the fields of electronics, IT/software and mechanical engineering, as well as in matters concerning the protection of trade secrets. Furthermore, Christian Holtz specialises in advising on IP transactions and has extensive experience in conducting patent-related due diligence.

„Waiver of the defence of continuation of the action“



In the case of warning letters in the field of industrial property law, it is customary for the claimant to attach a pre-formulated cease-and-desist declaration, which is subject to criminal sanctions, to the cease-and-desist letter. Should the claimant demand the unrestricted waiver of the plea of continuation in such a pre-formulated cease-and-desist and obligation declaration, this leads to the invalidity of an agreement on the payment of a contractual penalty according to a judgement of the Higher Regional Court Frankfurt am Main of 23 July 2020. The judgement of the Higher Regional Court of Frankfurt am Main is printed, for example, in GRUR-RR 2020, page 556 et seq.

The infringement of an industrial property right, an infringement of competition law and/or an infringement of copyright law give rise to a risk of repetition of future infringing acts and thus to a claim for injunctive relief. The risk of repetition can only be eliminated if the infringer makes a cease-and-desist declaration subject to a penalty. The infringer thereby undertakes to refrain from performing a certain act and to pay an appropriate contractual penalty for each case of infringement. The obligation to pay a contractual penalty is not already established by a unilateral declaration of the infringer, but requires the conclusion of a contract. In principle, the general provisions of the German Civil Code apply

to the conclusion of such a contract. If a pre-formulated cease-and-desist declaration is attached to the warning letter, this constitutes an offer to conclude a cease-and-desist agreement with this content within the meaning of Section 145 BGB. Should the debtor sign this pre-formulated cease-and-desist declaration without amendments and return it to the claimant, the contract is thereby concluded with the consequence that the claimant can demand the agreed contractual penalty for future infringements. Should the infringer submit an amended cease-and-desist declaration, this constitutes a rejection of the claimants offer, combined with a new offer, Section 150 (2) BGB. In this case, a corresponding contract is only concluded if the claimant, for his part, agrees to the amendments and accepts the amended cease-and-desist declaration sent by the infringer.

It should be noted that the provisions in a pre-formulated cease-and-desist declaration and declaration of commitment can be regarded as General terms and conditions (GTCs). This is regularly indicated by the first appearance and the word "pre-formulated".

Accordingly, contracts concluded on the basis of pre-formulated cease-and-desist declarations are to be reviewed as to whether or not they are effective

under the GTC provisions. The Higher Regional Court of Frankfurt am Main has now ruled in the aforementioned judgment that the "unrestricted waiver of the plea of continuation" demanded in a pre-formulated cease-and-desist declaration constitutes an unreasonable disadvantage to the infringer/debtor with the consequence that a contract concluded thereupon is invalid pursuant to Section 307 (1) BGB. In such a case, the claimant may thus not claim a contractual penalty in the event of any infringements.

If an infringer/debtor promises the payment of a contractual penalty - as usual - "for each case of infringement", the interpretation of the contract may show that several individual infringements not too far apart in time are to be regarded as one infringement (see e.g. BGH GRUR 2015, page 1021 marginal no. 29 - Kopfhörer-Kennzeichnung) with the consequence that the contractual penalty can only be claimed once. Thus, for example, if the infringer/debtor has 100 boxes of infringing products transported in a truck after concluding a contractual penalty agreement, there would not be 100 infringements, but only one infringement. If it is now demanded that the infringer/debtor waives the "plea of continuation of the infringement", this can be interpreted as meaning that in the example case the claimant would then like to demand the contractual penalty in 100 cases after all. Case law sees this as an "unreasonable disadvantage", at least in General terms and conditions (cf. also the decision of the Federal Court of Justice of 10 December 1992, BGHZ 121, page 13 et seq. as well as Köhler/Bornkamm/Feddersen, Kommentar zum UWG, on Section 12, 1.219 with further references. N.).

Accordingly, the wording "waiving the defence of continuation" should be avoided in pre-formulated cease-and-desist declarations.



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Amount of security for injunctive relief – Munich Higher Regional Court corrects



The Munich Regional Court I had issued in several patent proceedings injunctions together with information and ancillary claims based on standard-essential patents. In each case, the court had set the security deposit relatively low. The amount of the security deposit was calculated by the Regional Court on the basis of what the defendant would have had to spend to obtain a licence. In its reasoning, the court pointed out that an economically-minded defendant, applying the duty to mitigate damages, should not allow an injunction to be enforced, but would then have to agree to a licence offered to him (although this was highly disputed between the parties). If the defendant does not agree to the licence in such a situation, he violates its duty to mitigate damages and was therefore himself responsible for the further consequences under Sec. 254 BGB.

The court therefore considered the defendant to be under an obligation to agree to the licence in the event of enforcement, according to the first instance judgment. Therefore, the security was only set in the amount of the expected licence fee and not according to the damage actually incurred in the event of an injunction enforcement.

The Munich Higher Regional Court countered this in a partial judgment, 6 U 6389/20 Kart. The Higher Regional Court maintained that the expected damage of the injunction enforcement determines the amount of the required security and not an agreed upon licence instead. The defendant was not obliged to agree to a licence, because then it would

no longer be possible for him to appeal to a higher court, because the main action would then have to be declared settled. Furthermore, the defendant would be forced to enter into an (extensive portfolio) licence agreement against its will and to abandon its point of view according to which the plaintiff's licence offer in question was precisely not adequate. A licence agreement "subject to final judgement" was also not possible according to the applicable principles of contract law. Such a duty to mitigate damages would also exceed the limits of what is reasonable, as must also be observed in the context of Sec. 254 para. 2 sentence 1 BGB. Rather, each party was free to seek and have its rights clarified through the legal recourse provided by law, and this free decision could not be restricted by a duty by way of contributory negligence under Sec. 254 BGB.



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The order for preliminary ruling of the Munich I Regional Court, 21 O 16782/20 – Validity of the patent in injunction proceedings (GRUR 2021, 466)

By order of 19 January 2021, the Munich I Regional Court referred the question to the Court of Justice of the European Union as to what requirements must be placed on the validity of the patent of an injunction patent in order to justify the issuance of a preliminary injunction. The order for preliminary ruling has attracted attention in practice (cf. the criticism by Kühnen in GRUR 2021, 466, 468 et seq.) and deserves a closer look.

1. The Munich I Regional Court refers the following question for a preliminary ruling: Is it compatible with Article 9 (1) of Directive 2004/48/EC ("Enforcement Directive"; the author) for higher regional courts having jurisdiction at last instance in proceedings for interim relief to refuse in principle to grant interim measures for infringement of patents if the patent in dispute has not survived opposition or invalidity proceedings at first instance?

The submission is a reaction to the recently changed case law of the Munich Higher Regional Court on the requirement of the secured validity of patents in preliminary injunction proceedings (OLG München, GRUR 2020, 385 - Elektrische Anschlussklemme). It has already been described as courageous (Rastemborski, GRUR-Prax 2021, 109); in any case, it is sensational. Whether it is legitimate to ask the ECJ about the compatibility of the requirements placed by the higher courts on the existence of the law with the Enforcement Directive (according to Kühnen, loc. cit., p. 468; cf. on the submission of the court of instance "with a legal-political flavour" as a means of influencing higher court case law: Latzel/Streinzi, NJOZ 2013, 97, 98) can remain open. The submission of the Munich Regional Court I seems to lack justification. It is unlikely to serve the interests of the parties to the proceedings in view of the procedural delay associated with the referral to the ECJ. It does not seem to help the interests of the general public or at least of practitioners working in patent law, if only because it reproduces the legal practice of the German higher courts in an abbreviated form and therefore pressures the ECJ to answer a question that is unlikely to arise in practice in this way. Nevertheless, it is not entirely unjustified.

According to Kühnen, the submission refers to the criticised case law in a factually incorrect and incomplete manner and does not prepare it with its economic background and intentions (Kühnen, loc. cit., p. 468; similarly, albeit less sharply Rastemborski, GRUR-Prax 2021, 109). Without this, the ECJ lacks the basic prerequisites for answering the question referred for a ruling that is conducive to clarifying the law. The criticism expressed is not plucked out of thin air.

.2. It is astonishing that the Munich I Regional Court, as a court of first instance in proceedings for interim relief, resorts to preliminary ruling proceedings at all. In proceedings for interim relief, there is in principle no obligation to submission (BVerfG, EuR 2006, 814 et seq.; BVerfG, NVwZ 1992, 360). However, it can also be submitted in proceedings for interim relief (see Wegener, in: Callies/Ruffert, EUV/AEU, 5th ed. [2016], Art. 267 TFEU marginal no. 23; Ehrlicke, in: Streinz, EUV/AEU, 3rd ed. [2018], Art. 267 TFEU marginal no. 39). Although the provisional nature of the decisions to be made in interim relief proceedings does not legally preclude a referral, this is regularly ruled out in practice due to the urgency (cf. Wegener, loc. cit., marginal no. 23; Ehrlicke, loc. cit., marginal no. 39). A submission in summary proceedings is therefore not precluded per se, especially if it serves to clarify procedural questions that (can) only concern the summary proceedings before the court.

However, such a procedure can only be explained by a considerable pressure of suffering on the part of the referring court. On the one hand, this pressure of suffering may be fed by the desire to end a decision-making practice

that is perceived as unjustified. On the other hand, the driving force seems to be a lack of confidence in one's own higher court, at least with regard to the legal positions under assessment. The reasoning of the order for reference leaves little doubt about both.

A judiciary that is critical of its own higher court is no reason to complain - quite the contrary. The impulses coming from the lower court, especially from the dispute over the substance of the case, are indispensable for the further development of the law, are far too rare in practice and, wrongly, are not always particularly sought after in parts of the judiciary. It can therefore certainly be seen as positive that the Munich I Regional Court is passionate about its legal opinion, which differs from that of the Munich Higher Regional Court. Whatever the motivation may be: when formulating the submission to the ECJ, it should not have overshadowed the factually accurate and complete preparation of the legal situation and the economic background and intentions urged by Kühnen.

3. The wording of the question referred for a preliminary ruling already appears problematic. According to Art.

267 TFEU, the ECJ decides in preliminary rulings, inter alia, on the interpretation of the (European) Treaties. This also includes questions of interpretation of the Enforcement Directive. The compatibility of a provision of national law or a national court practice with European law cannot be the subject of the proceedings (cf. also Latzel/Streinzius, loc. cit., p. 102). Therefore, the question for a preliminary ruling formulated by the Munich I Regional Court as to whether the practice (described in more detail) of higher regional courts of final instance is compatible with Article 9(1) of the Enforcement Directive is, strictly speaking, not admissible under Article 267 TFEU.

It is true that the requirement of conformity of national law with Union law is not limited to legislation, but also requires national courts to interpret and apply national law in conformity with Union law. Nevertheless, national case law cannot be the subject of the preliminary ruling procedure, including the case law "put up for review" by the Munich I Regional Court.

Formally, it would not have been objectionable to ask whether Article 9(1) of the Enforcement Directive is to

Legal500 Germany 2021 – Trademark

Preu Bohliger & Partner celebrated its sixtieth anniversary in 2019 and, in addition to a traditionally strong trade mark, design and competition law practice, was also able to take positive stock of the expansion of its interface expertise with IT and data protection law, which complements the team's expertise in pharmaceutical law in particular. The team advises on portfolio development issues as well as in contentious disputes such as the registration of IP rights and national and international infringement proceedings. Border seizures and the prosecution and combating of IP infringements at trade fairs are also part of the advisory spectrum. The large German client base is complemented by a growing number of well-known international companies, not least due to the firm's Paris office. The practice group is headed by Astrid Gérard (advice and litigation), Andreas Haberl (infringement proceedings and parallel estoppel proceedings), Torben Düsing (trade mark, design and competition law) and Matthias Hülsewig (patent and utility model law), and Jürgen Schneider, Ludwig von Zumbusch and Christian Donle, who are mainly active in litigation.

be interpreted in such a way that it precludes a national provision - such as the one applicable in the initial proceeding - according to which the grant of an injunction based on a patent generally requires that the patent has survived opposition or invalidity proceedings at first instance. In terms of content, this wording would probably also not be acceptable, as it does not include the exceptions to the cited principle developed in German case law and therefore either cannot be relevant to the decision or the wording "in principle" (insofar as it is intended to refer to the exceptions) constitutes a reference that is generally inadmissible in a question referred for a preliminary ruling.

4. Such a formulation of the question referred would presumably have made it clear that the question referred was incomplete and should not arise in the initial proceeding for that reason alone.

German law does not provide for a rule according to which the grant of an interim injunction based on a patent requires that the patent has survived opposition or invalidity proceedings in the first instance. Rather, this principle is subject to the exceptions formulated by the case law. The wording of the question referred for a preliminary ruling without including the exceptions that form the principle in the first place is therefore unfortunate (Kühnen, who considers the approach to be scientifically dishonest, *op. cit.*, p. 468). If the ECJ answers such a question, nothing is likely to be gained for German legal practice, because the answer refers to a case-law practice that does not exist anyway.

5. Munich I Regional Court correctly points out that the German legal materials do not contain any reference to the requirement of a first-instance decision in proceedings on the existence of a right and that the German law is therefore fully in line with the Enforcement Directive.

Against this background, a wording of the question referred for a preliminary ruling that is oriented towards the interpretation of Article 9 of the Enforcement Directive would have been all the more appropriate.

6. The admissibility of the submission is contradicted by the fact that the Munich I Regional Court, according to its own statements, has no doubts about the interpretation

of Article 9 (1) of the Enforcement Directive (on the requirement of doubt about interpretation *Latzel/StreinZ*, *loc.cit.*, p. 105). Rather, the Munich I Regional Court assumes as certain that the possibility of interim measures required by the provision is not ensured in national law if these are refused on the grounds that no first instance opposition or invalidity proceedings have taken place so far.

7. Moreover, the question referred is not relevant to the decision. A referral pursuant to Article 267 TFEU presupposes that the referring court considers a decision on the question referred to it to be necessary in order to give its own judgment, Article 267 (2) TFEU. As a rule, the Court of Justice does not examine this requirement. Rather, the referral itself establishes the presumption that the question in question is necessary from the perspective of the referring court (ECJ, *NVwZ* 2012, 1162, para. 17 f. - *Garkalns*). In individual cases, however, a rejection of question referred for lack of relevance to the decision is quite conceivable (cf. *Latzel/StreinZ*, *loc. cit.*, p. 105 re. sp. as well as fn. 174).

The order for reference lacks a description of the relevance for the decision, as the Munich I Regional Court does not explain how different answers to the question referred would affect the decision on the merits. In particular, it is not clear from the order for reference what decision the Munich I Regional Court would take in the event that the ECJ does not consider the practice of the higher court to be contrary to European law.

As a relevant aspect for the relevance of the decision, the Munich I Regional Court states that due to the decision-making practice of the Higher Regional Court of Munich, it currently sees itself forced to refuse to order interim measures in the present case, contrary to its understanding of the provision in Article 9 (1) of the Enforcement Directive. This does not constitute a comprehensible justification of the relevance of the decision, because the Munich I Regional Court is not bound by the practice of the Munich Higher Regional Court in its decision-making.

The Munich I Regional Court would have maintained the appearance of relevance to the decision if it had agreed with the position of the Munich Higher Regional Court on the basis of §§ 935, 940 ZPO, but had seen in this an

incompatibility with Article 9 (1) of the Enforcement Directive and had therefore asked the ECJ to answer the question referred. This may only be a technical trifle. It is nevertheless noteworthy, as the deviating approach chosen by the Munich I Regional Court implies a clear criticism of the Munich Higher Regional Court.

8. In the matter itself, the Munich I Regional Court is subject to a misinterpretation of Art. 9 of the Enforcement Directive, which Kühnen rightly points out with reference to recital 22 of the Enforcement Directive (Kühnen, loc. cit., p. 469). The provision does not force the member state court to order provisional measures in every case of infringement of a patent. Rather, Art. 9 (1) of the Enforcement Directive merely provides that the member states grant the competent courts the possibility to do so. This possibility is unquestionably available to the courts under §§ 935, 940 ZPO.

Furthermore, Art. 9 (3) of the Enforcement Directive requires for the ordering of a measure the entitlement of the Member State courts to order the applicant to produce all reasonably available evidence to satisfy themselves with sufficient certainty that the applicant is the right holder and that the applicant's right is being infringed or threatened with infringement. This includes the conviction of the legal validity of the asserted IP right, which Munich I Regional Court does not include in its considerations.

9. There is no disagreement with the finding of the Munich I Regional Court that a patent that has only just been granted cannot yet have gone through validity proceedings and that the patent proprietor naturally has no influence on whether his patent is attacked with an opposition or an action for revocation after grant.

In view of Art. 9 of the Enforcement Directive, a provision of national law that excludes the grant of interim measures based on patents that have not been confirmed in the validity proceedings would therefore be questionable. However, neither such a provision nor such case law exists in Germany.

10. The weighing on which the submission of the Munich I Regional Court is based does not seem to take all relevant aspects into account.

First, it is in line with the statutory allocation of jurisdiction to have the questions of the legal validity clarified not by the infringement court, but by a body competent for the validity. It is therefore not objectionable that the safeguarding of the legal validity within the meaning of Art. 9 (3) of the Enforcement Directive is to be based on a vote by such a competent body. In view of the lack of technical expertise of the infringement courts - regularly emphasised by the infringement courts in the main proceedings - there is little to be said in favour of leaving the safeguarding of the body of law in the preliminary injunction proceedings to the infringement courts.

The basic approach of the criticised higher regional courts to require an contradictory decision in an enforceability proceeding in order to secure the validity of rights is therefore not only in line with the infringement court's possibilities of knowledge and the fundamental distribution of jurisdiction in the German system of division of powers, but also in line with the requirement established by Article 9 (3) of the Enforcement Directive. A decision on the legal validity of a right by a competent body is a much more reliable criterion for the question of securing the existence of a right than the assessment of an infringement court that does not deal with such matters, if only for reasons of the distribution of jurisdiction.

Against this background, the accusation that the "case law put up for review" is based on an interpretation principle that is contrary to European law is incorrect. This applies all the more since the exceptions from the fundamental requirement of an contradictory decision on the legal validity of a right, which are recognised by case law, serve to enable the enforcement of a patent on the basis of a comprehensive (albeit typified) weighing of interests. There is nothing wrong with this, if only because Art. 9 (1) of the Enforcement Directive does not require that it must be possible to order provisional measures in every case,

but that the courts are granted the possibility to order such measures ("may"). This includes the possibility to refrain from ordering such measures on the basis of a consideration of the degree of legal validity of the IP right.

In the order for reference, the Munich I Regional Court does name essential (but not all, see Kühnen, loc.cit., p. 469) exceptions developed in case-law. However, these exceptions were not sufficient, as they were applied so restrictively, especially by the Munich Higher Regional Court, that they remained de facto theory. Unfortunately, the Munich I Regional Court does not provide evidence for this. In view of the fact that the criticised case law of the Munich Higher Regional Court is only a little more than a year old, it is hardly possible to find meaningful evidence. This also applies to the criticised decision 6 W 1146/20 of 26 November 2020 (GRUR-RS 2020, 39651), in which the Munich Higher Regional Court only had to decide on the point of costs after settlement, whereby it did not pay much attention to the examination of the secured legal validity.

11. Accordingly, the Munich I Regional Court criticises what it considers to be a generally too strict line in the individual case examination of the secured legal facts. In doing so, however, it does not point out any question of interpretation concerning European law that could be answered by the ECJ in a way that would promote the development of the law.

Despite all the criticism, however, the advance of the Munich I Regional Court is to be welcomed insofar as it is an expression of a dispute about the convincing solution of a legal problem that is oriented towards the matter at hand. Even a referral decision worthy of criticism has its justification and function in the struggle for the further development of law and case law.



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Legal500 Germany 2021 – Regulatory Law – Health Sector

Preu Bohliger & Partner stands out above all for its high specialisation in third-party opposition proceedings in licensing procedures. Team leader Peter von Czettritz is one of the clear experts in Germany in this special field. His practice is focused overall on pharmaceutical and medical device law and also covers interface issues in food, competition and product liability law as well as compliance. Also part of the advisory spectrum are disputes under medicinal product advertising law, regulatory advice on orphan drugs and advanced therapies as well as patent disputes.

"Oppositions against an EU trade mark application can no longer be based on UK trade marks as of 01/01/2021"



The Opposition Division of EUIPO has ruled that trade marks protected in the UK can no longer form the basis of an opposition to an EU trade mark application from the end of the transitional period on 31/12/2020. The full decision is available on the EUIPO website (https://euipo.europa.eu/eSearchCLW/#basic/*/number/003029595).

The United Kingdom has left the European Union with effect from 01/02/2020 ("Brexit"). Until 31/12/2020, there was a transitional period during which EU rules, including the EU Trade Mark Regulation, remained applicable in the UK. During this transitional period, national trade marks protected in the UK therefore could continue to form the basis of an opposition against an EU trade mark application. The Opposition Division of EUIPO now had to decide on the fate of national UK rights in opposition proceedings initiated before the expiry of the transitional period.

The opponent had filed oppositions against the EU trade mark application "sorrybro#" on the basis of, inter alia, two trade marks "#sorrybro" registered in the UK. In addition, the opponent had claimed to have unregistered trade marks "#sorrybro" in a large number of Member States, including the United Kingdom.

The Opposition Division rejected the opposition in respect of UK national rights. The basis of an opposition against an EU trade mark application can (only) be rights protected "in a Member State" of the EU (Article 8(1), (4) and (5) UMV). It follows from the wording of that provisions (in the present tense) that the requirement of protection "in a Member State" must (still) be fulfilled at the time of the decision. This is no longer the case with respect to the national rights in the United Kingdom. After the end of the transitional period, national UK trade marks ceased ex lege to be as rights protected "in a Member State" of the EU. The opposition is therefore rejected in relation to these rights.

This clarifies that UK trade marks can no longer form the basis of an opposition to an EU trade mark application. In ongoing opposition proceedings, oppositions must therefore be rejected insofar as they are based

on national UK rights. As Article 60(1) EUTMR ("relative grounds for invalidity") refers to Article 8(1) EUTMR, the same must apply in cancellation proceedings based on earlier UK rights.



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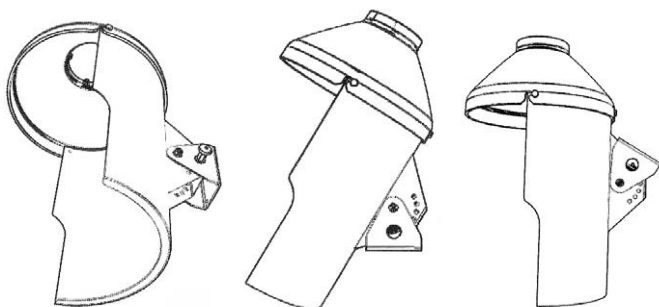
Legal500 Germany 2021 – Patent Law: Dispute Resolution

Preu Bohliger & Partner has traditionally been active for large German medium-sized companies, but also counts numerous multinationals among its clients and is continuously expanding its international practice, inter alia through close contacts with foreign patent law firms. The firm, which has four offices in Germany and Paris, offers an extensive litigation practice, which includes representation in infringement proceedings as well as in validity proceedings. The firm has successfully repositioned itself in the last three years, consistently expanded the team and has also offered a counsel position as a career option since 2020. The quartet at the head of the practice group consists of Christian Donle in Berlin, Ludwig von Zumbusch in Munich, Daniel Hoppe in Hamburg and Christian Kau in Düsseldorf, who work extensively in IP.

The protectability of a product as a registered design for which a technical IP right exists at the same time – the FCJ decision "Papierspender" [paper dispenser] (I ZR 137/19)



In its decision "Papierspender" [paper dispenser] of 7 October 2020 (I ZR 137/19), the First Civil Senate of the German Federal Court of Justice (FCJ), which is responsible for design law, held that the claims, descriptions and drawings in the publication document of a patent application are objective circumstances relevant to the individual case, which, according to the decision "DOCE-RAM" (C-395/16) of the Court of Justice of the European Union (CJEU), shall be considered with regard to the question whether features of a design are solely dictated by its technical function. However, the FCJ held that the absence of any considerations on the visual appearance of the product in the patent application as well as the existence of considerations on its technical function does not in itself allow the conclusion that any feature of appearance is solely dictated by its technical function.



1. In the case "Papierspender" [paper dispenser] (I ZR 137/19), the FCJ had to decide on the question whether the Registered Community Design (RCD) 001344022-0006 (Locarno 15.99: Packaging device) claimed by the plaintiff with the views below, shows only features of appearance, which are solely dictated by its technical function. The plaintiff was also the owner of a European patent for such a paper dispenser. The Regional Court had allowed the action, insofar as it still had to be decided after a partial acknowledgement by the defendant, and dismissed the counterclaim for invalidity brought by the defendant against the RCD. The Higher Regional Court on the other hand, dismissed the infringement claim on appeal and upheld the counterclaim for invalidity on the grounds that all features of appearance were solely dictated by its technical function. The appeal on points of law now led to the reversal of the appeal judgement by the FCJ and to the remittal of the proceedings to the Higher Regional Court for a new hearing and decision.

2. According to Article 8 (1) of Regulation (EC) No 6/2002 (CDR), a Community design shall not subsist in features of appearance of a product which are solely

dictated by its technical function. According to Art. 24(1), Art. 25 (1) (b) CDR, a RCD may be declared invalid on counterclaim in infringement proceedings if it does not fulfil the requirements of Art. 4 - 9 CDR. Against this background, a RCD shall be declared invalid if all the features of appearance, which are significant for the overall impression of the product, are solely dictated by its technical function.

3. With regard to Article 8 (1) CDR, the CJEU held in its decision "DOCERAM" (judgment of 08.03.2018, C-395/16; cited e.g. in GRUR 2018, 612) that, in order to assess whether a product's feature of appearance is solely dictated by its technical function, it must be determined whether this function is the only factor determining this feature (CJEU loc. cit. para. 32). Accordingly, protection under design law for features of appearance of a product is excluded if considerations other than the requirement that the product fulfils its technical function did not play a role in the decision in favour of these features, even if there are other designs, which can fulfil the same function (CJEU loc. cit. para. 31).

The existence of alternative design possibilities alone therefore does not preclude the exclusion of protection under Art. 8 (1) CDR. Otherwise, according to the CJEU, an economic operator could register as a RCD several conceivable forms of a product which have features of appearance solely dictated by its technical function and benefit from an exclusive protection from a practical point of view, which would be equivalent to patent protection, without being subject to the requirements for obtaining a patent (CJEU loc. cit. para. 30).

According to the decision "DOCERAM" of the CJEU, it is therefore a question of whether a product's features of appearance, when assessed objectively, were chosen solely with the intention of that product fulfilling a certain technical function. In this context, the objective circumstances from which the motives for the choice of the features of appearance become clear, information on the use of the product and also the existence of alternative designs with which the same technical function can be fulfilled must be taken into account (CJEU, loc. cit., para. 37).

4. In the decision "Papierspender" (I ZR 137/19), the FCJ first clarified that an "aesthetic surplus" is not relevant, as it is not part of the requirements for protection of a RCD. Rather, it was only a question of whether considerations other than the requirement that the product fulfil its technical function, in particular those connected with the visual appearance, had not played a role in the decision on the product's features of appearance (para. 12).

5. The Higher Regional Court had stated in the appeal proceedings that an indication for the technical function of the features of appearance was already that the features were at the same time components of the European patent claimed by the plaintiff (para. 15). The Higher Regional Court did not find a different assessment based on the representation of the paper dispenser in the plaintiff's advertising. It was far-fetched, according to the Higher Regional Court, that customers were interested in an aesthetically sophisticated design of the paper dispenser. The technical functionality was also expressed in the advertising brochures, which did not refer to an attractive design but rather solely with the technical advantages (para. 16). According to the CJEU's case law, the fact that there were viable alternatives in terms of form was also irrelevant (para. 17).

6. The FCJ did not follow the argumentation of the Higher Regional Court and stated that the Higher Regional Court had given too much indicative weight to the plaintiff's patent application and had not taken other circumstances into account (para. 20).

7. Referring to the earlier decision "Laternenflasche" [lantern bottle] (judgement of 09.02.1966; I ZR 13/64; cited e.g. in GRUR 1966, 681), the FCJ first states that the protectability of a product as a design is in principle not precluded by the fact that a technical IP right has been applied for or granted for the same product (para. 24).

The FCJ then held that in view of the task of a patent application to explain the technical function of the product, considerations relating to the visual appearance of individual features were neither necessary nor per se

excluded in a patent application. Therefore, the absence of any considerations on the visual appearance of a product in a patent application as well as the existence of considerations on its technical function did not in itself allow the conclusion that any feature of appearance was solely dictated by its technical function. However, in both cases it had to be examined whether objective circumstances outside the patent disclosure indicated a visual conditionality of the appearance feature in question (para. 28).

8. The FCJ held that the Higher Regional Court had incorrectly assumed a rule-exception relationship to the effect that the technical justification for a feature of appearance contained in a patent application was an indication of the exclusive technical conditionality of the feature of appearance that could be disproved by other circumstances (para. 30). In addition, the Higher Regional Court had incorrectly affirmed the exclusive technical conditionality solely based on the information in the patent application relating to the product at issue. The information in the plaintiff's patent application could lead to the assumption that the features of appearance of the RCD were dictated by its technical function, but not to the assumption that they were solely dictated by it (para. 31).

9. The FCJ further clarifies that the existence of alternative designs with which the same technical function can be fulfilled is, according to the case law of the CJEU, in principle a circumstance that can be taken into account within the framework of the objective overall assessment to be carried out pursuant to Article 8 (1) CDR. Only the existence of alternative designs alone was not sufficient to exclude the application of Art. 8 (1) CDR (para. 39).

10. In its decision "Papierspender" (I ZR 137/19), the FCJ further substantiated the core statements of the CJEU's decision "DOCERAM" (C-395/16) and, in particular, clarified that a parallel patent or utility model may be an indication for the technical conditionality of a feature of appearance, but that further objective circumstances must be added in order to establish an

exclusively technical conditionality of this feature within the meaning of Art. 8 (1) CDR or with regard to national designs within the meaning of Sec. 3 (1) no. 1 German Design Act (DesignG).



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ECJ rules on the calculation of the expiry of the period of 5 years in revocation proceedings in an EU trade mark



In a judgment of 17 December 2020, the Court of Justice ruled on a reference for a preliminary ruling from the Federal Court of Justice, Germany, on the date of assessment of the period of 5 years for declaring revocation of an EU trade mark (C-607/19).

The background to the reference for a preliminary ruling was as follows:

Pursuant to Art. 51 (1) lit. a) of Regulation No. 207/2009 (now Art. 58 (1) lit. a) of Regulation No. 2017/1001, EUTMR), the rights of the proprietor of the EU trade mark shall be declared to be revoked on application to the Office or on the basis of a counterclaim in infringement proceedings if, within a continuous period of five years, the trade mark has not been put to genuine use in the Union in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use; however, no person may claim that the proprietor's rights in an EU trade mark should be revoked where, during the interval between expiry of the five-year period and filing of the application or counterclaim, genuine use of the trade mark has been started or resumed; the commencement or resumption of use within a period of three months preceding the filing of the application or counterclaim which began at

the earliest on expiry of the continuous period of five years of non-use shall, however, be disregarded where preparations for the commencement or resumption occur only after the proprietor becomes aware that the application or counterclaim may be filed.

Pursuant to Sec. 25 (2), first sentence, Trade Mark Act, in the case of a plea of revocation in legal proceedings, the calculation of the 5-year period of use shall be based on the date of filing of the action. If, according to Sec. 25 (2) sentence 2 of the Trade Mark Act, the 5-year period of non-use ends after the filing of the action, the plaintiff has to prove, upon objection of the defendant, that the trade mark has been put to genuine use within the last five years before the conclusion of the oral proceedings.

The second sentence of Sec. 55(3) of the Trade Mark Act provides that, in respect of an action brought by the proprietor of an earlier registered mark, it is the period of five years calculated with regard to the end of the hearing which, where the defendant has raised an objection, is to be taken into account for the purposes of assessing non-use.

The dispute in the main proceedings was as follows:

Husqvarna manufactures equipment for gardening and landscaping. It is the proprietor of the following three-dimensional EU trade mark (No 000456244) registered on 26 January 2000 for 'sprinklers for irrigation'.



Lidl offered a spiral hose set between July 2014 and 2015 that consisted of, inter alia, highly similar sprinkler nozzles.

Against this background, Husqvarna filed an infringement action against Lidl with the Düsseldorf Regional Court in 2015 seeking, among other things, injunctive relief and damages. In September 2015, Lidl filed a counterclaim for revocation of Husqvarna's EU trade mark for non-use. The products protected by the trade mark had no longer been sold since May 2012.

The Düsseldorf Regional Court granted Husqvarna's claims and dismissed Lidl's counterclaim. On appeal by Lidl, the Higher Regional Court Düsseldorf set aside the judgment of the Regional Court Düsseldorf and declared Husqvarna's EU trade mark revoked as of 31 May 2017. The Higher Regional Court Düsseldorf held that the relevant date for calculating the uninterrupted period of non-use was not the date of filing the counterclaim in September 2015, but the date of the conclusion of the last oral proceedings on 24 October 2017. The goods protected by the trade mark had no

longer been marketed as of May 2012, from which it had to be concluded that the uninterrupted period of five years provided for in Article 51(1)(a) of Regulation No 207/2009 (= Article 58(1)(a) EUTMR) had not yet expired at the time the counterclaim for revocation was filed, but had expired at the time of the last oral proceedings.

Husqvarna appealed to the Federal Court of Justice, which referred the following questions to the CJEU for a preliminary ruling (abbreviated and summarized below):

In the case of a counterclaim for revocation of an EU trade mark which was filed before the expiry of the five-year period of non-use, is the determination of the date relevant for the calculation of the period of non-use covered by the provisions of the (former) Community Trade Mark Regulation as well as the EU Trade Mark Regulation?

If the answer is in the affirmative: In the case of a counterclaim for revocation of an EU trade mark which was filed before the expiry of the five-year period of non-use pursuant to Article 51(1)(a) of Regulation No 207/2009 (= Article 58(1)(a) EUTMR), is the date of the filing of the counterclaim or the date of the last hearing in the appeal instance to be taken into account in the calculation of the period of five years of non-use?

In its submission, the Federal Court of Justice took the view that the calculation of the expiry of the five-year time limit should be based on the last oral hearing before the court of appeal. It was a procedural question and, in the absence of clarification in the respective EU Trade mark regulations, it fell within the scope of national law.

The Court of Justice rejected this with reference, inter alia, to Article 55 (1) of Regulation 207/2009 (= Article 62 (1) EUTMR). An interpretation of this provision as made by the Federal Court of Justice runs counter to the effects of revocation provided for in this Regulation. According to Art. 55(1) of Regulation 207/2009,

the EU trade mark shall be deemed not to have taken effect, to the extent that the trade mark is revoked, from the date on which the application for revocation was filed or the counterclaim was filed.

An assessment at the time of the last oral proceedings would result in revocation taking effect from a point in time during the proceedings when the conditions referred to in Article 51(1)(a) of Regulation No 207/2009 are fulfilled, although these conditions were not fulfilled at the time when the counterclaim was filed.

According to Art. 55 (1) sentence 2 of Regulation No. 207/2009, an earlier date, on which one of the grounds for revocation occurred, may be fixed in the decision at the request of one of the parties; however, this article does not provide for such a possibility for a point in time after the filing of the counterclaim.

Furthermore, the merits of a counterclaim for revocation of an EU trade mark for non-use over a period of five years may not depend on the duration of national proceedings.

In the light of the foregoing, the Court of Justice held that Art. 51(1)(a) of Regulation No. 207/2009 trade mark must be interpreted as meaning that, in the case of a counterclaim for the revocation of rights in an EU mark, the relevant date for the purposes of determining whether the continuous five-year period referred to in that provision has ended is the date on which that counterclaim was filed.



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Legal500 Germany 2021 – Competition Law

Preu Bohlig & Partner's advisory focus is on combating product counterfeiting, at the interface of competition law and data protection law, on the review of advertising materials and on product release issues, as well as on the protection of business and trade secrets. Among other areas, the group focuses on medical devices and the interface with design law. The team is active both in litigation, often in urgent legal protection, and in an advisory capacity. The heads of the practice group Astrid Gérard, Andreas Haberl, Jürgen Schneider and Ludwig von Zumbusch in Munich, Christian Donle in Berlin and the Düsseldorf duo Torben Düsing and Matthias Hülsewig are also committed to this combined advisory and forensic approach.

"Restitution claim in trade mark law"



In the case "Indischer Weihrauch" (Indian Incense), the Higher Regional Court of Munich ruled on a restitution claim in trade mark law in its decision of 30 July 2020. The decision is printed in GRUR-RS 2020, 21517.

The restitution claim is governed by Sections 580 et seq. ZPO. If the action for restitution is admissible and well-founded, this results in a final judgment that has already been passed being set aside again. In this case, the defendant/appellant for restitution has a claim in particular that the plaintiff/respondent for restitution must return to him any payments based on the annulled judgment (e.g. damages and reimbursement of costs) in corresponding application of Section 717 (3) ZPO according to the provisions on the return of unjust enrichment.

An action for restitution in trade mark law is rather rare. In the subject indexes of the relevant commentaries on trade mark law, the keyword "restitution claim" is not even mentioned.

In patent law, on the other hand, an action for restitution occurs from time to time, namely if the patent in suit is revoked in opposition proceedings or declared invalid in nullity proceedings after the infringement judgement has become final. In such a case, the

defendant may file an action for restitution by analogous application of Section 580 No. 6 ZPO. The action for restitution must be brought within an emergency period of one month. This non-extendable period begins on the day on which the party became aware of the reason for restitution (revocation or destruction of the IP right), but not before the decision which led to the destruction of the IP right has become final. After the expiry of five years from the date on which the judgement challenged in the restitution action becomes final, restitution actions are inadmissible, Section 586 of the Code of Civil Procedure.

In the above-mentioned decision "Indischer Weihrauch" (Indian Incense), the Higher Regional Court of Munich assumed without further ado that an action for restitution is also possible in trade mark law by applying § 580 no. 6 ZPO mutatis mutandis. However, the Higher Regional Court of Munich already dismissed the restitution action as inadmissible due to the failure to observe the time limit for filing an action of one month pursuant to Section 586 ZPO.

In the case decided, the Federal Patent Court had confirmed the partial cancellation ordered by the German Patent and Trade Mark Office of an action brought by the plaintiff for the goods "incense" as well

as for the goods applied for in Class 5 by order of 18 October 2018. The applicant/restitution defendant's trade mark was apparently a descriptive indication for these goods. Accordingly, it was an application for invalidity due to absolute grounds for refusal under Section 50 MarkenG. Based on the decision of the Federal Patent Court of 18 October 2018, the effects of the challenged trade mark were thus deemed not to have occurred from the outset, Section 52(2) MarkenG. The Federal Patent Court did not allow the appeal on points of law. The representatives of the restitution claimant were present when the decision was pronounced on the same day (18.10.2018). They thus became aware of the decision of the Federal Patent Court on that day. This reasoned decision was served on 28.1.2019. The restitution claim was filed in a written statement dated 15 February 2019.

The Higher Regional Court of Munich ruled that the representatives of the restitution claimant had already become aware of the reason for restitution due to their personal presence by the delivery of the order of the Federal Patent Court of 18 October 2018 on the same day. The time limit for filing the restitution action thus began on 18 October 2018 and expired on 18 November 2018. The restitution claim of 15 February 2019 was therefore received by the court after the end of the time limit and was accordingly inadmissible.

In the case, there was also the peculiarity that the restitution plaintiff/defendant had been convicted in the challenged judgment on the basis of another trade mark of the plaintiff, which, however, was word-for-word identical to the plaintiff's trade mark then finally challenged with the application for revocation. However, the plaintiff's trade mark, on which the defendant's conviction for trade mark infringement was based, could no longer be challenged because of the 10-year period pursuant to Section 50 para. 2 sentence 2 Trade Mark Act had already expired. The restitution claimant had thus attacked a different trade mark of the restitution defendant than the one on which the conviction for trade mark infringement was based. The Higher Regional Court of Munich did not need to decide whether an action for restitution was ultimately justified in such a case, because in the opinion of the Senate, as explained, the action for restitution was already to be rejected as inadmissible. According to the author, the restitution claim would also have been unfounded because the conviction for trade mark infringement was based on a different trade mark.

Accordingly, an action for restitution in trade mark law is possible in principle. If, after a final conviction for trade mark infringement, the trade mark is declared revoked or invalid, the defendant may bring an action for restitution. In this case, the above-mentioned time limits must be observed with regard to admissibility.

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Preu Bohlig is widely praised by clients who note “Other than the typical situation of lawyers playing your friend and then sending huge bills, Preu Bohlig only takes your case if you are on the right side of the case.” The media practice is focussed on press and entertainment law. The team regularly advises on defamation, copyright and competition law. Other areas of focus include film, television, theatre and advertising.

With regard to the merits, it will also depend in particular on the point in time at which the effects of an attack against the trade mark occur. In the case of an application for revocation under Section 49 Trade Mark Law, the effects take effect at the time the application is filed or the action is brought, Section 52 para.1 sentence 1 Trade Mark Law. In contrast, in the case of a successful invalidity attack, the trade mark had no effects from the beginning, Section 52 para. 2 Trade Mark Law.



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“With Preu Bohlig, you get precise and comprehensive answers and legal advice on a tight timeline. The upcoming steps in infringement procedures are always well thought through, and their recommendations are to the point. It is always clear what options you have, including the risk/cost analysis.” While best known for its contentious chops, the boutique also adroitly handles trademark strategy and licensing issues at a national, European and international level. Fronting the operation is **Astrid Gérard**, a hotshot German and European trademark litigator who also turns her hand to portfolio management, agreement drafting and office actions both at home and in Brussels.

Product piracy



The German Bundestag passed the amendment of the money laundering criminal offence on 11 February 2020. In the future, prosecution of money laundering will be made easier. Aiding and abetting in the shifting of proceeds from criminal acts will be punishable by law - irrespective of the criminal offence through which they were acquired. Until now, acts of money laundering could only be prosecuted for predicate offences such as drug trafficking, human trafficking or racketeering and similar so-called catalogue offences. This restriction to catalogue offences has now been abolished.

As a result of the amendment, commercial trademark infringement and copyright infringement now constitute predicate offences to a punishable money laundering offence.

This means that payment processing for transactions of criminal product piracy has now been included in the circle of money laundering, so that from now on banks, credit card companies, but also logistics companies will have to pay much more attention to their activities if they do not want to become involved in money laundering proceedings.

In order to limit product piracy, it will therefore be even more important for lawyers to have a look at the service providers of product pirates.

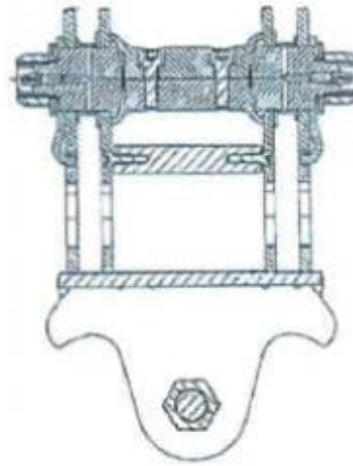


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Equivalence; the phoenix of patent law – Federal Court of Justice (BGH) on equal effect



BGH, Judgement of 17.11.2020, X ZR 132/18 - Kranarm

The legal figure of equivalence and the associated question of infringement of a patent claim outside the scope of literal protection are among the most challenging tasks of patent law advice. On one hand, this is due to the case law, which is in a state of flux, and on the other hand, due to the evaluation required in individual cases as to whether a solution outside the literal sense can still be assigned to the scope of protection of the patent. This allocation and thus the assumption of an equivalent solution in the legal sense require three prerequisites: 1) a technical equivalent effect, which 2) is obvious to the person skilled in the art and 3) which the person skilled in the art considers as an equivalent solution based on the meaning of the patent claim. With the current "Kranarm" (crane arm) decision, the BGH does not break any new ground. Rather, the BGH confirms its previous case law on the assessment of equal effect. With this decision, the BGH contributes to legal certainty and thereby strengthens the position of both patent owners and competitors..

The inclusion of equivalent solutions in the scope of protection serves to adequately protect the inventive step. However, this is at the same time in tension with

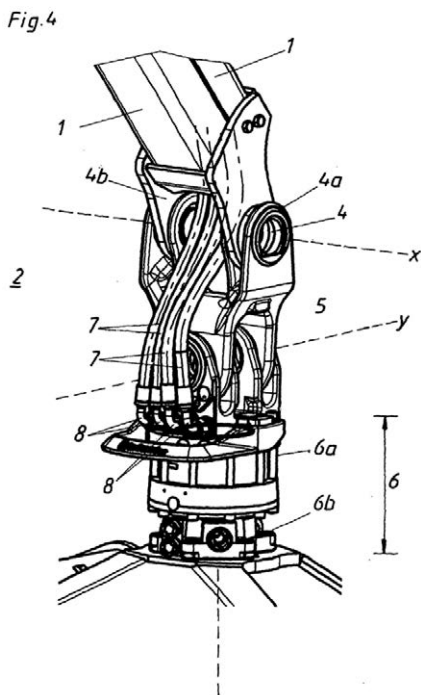
the requirement of legal certainty. In order to balance these conflicting interests, the case law requires that the meaning of the patent claims forms the decisive basis for determining the scope of protection (BGH, judgement of 12 March 2002, X ZR 168/00 - Schneidmesser I, GRUR 2002, 515, 517). Accordingly, it is demanded by case law that a solution deviating from the literal sense, which is assigned to the scope of protection equivalently to the literal solution, must be oriented towards the patent claim. This means that the skilled person must be able to find the modified but objectively equivalent means for solving the problem with considerations that are oriented towards the meaning of the teaching protected in the patent claim (BGH - Schneidmesser I, GRUR 2002, 515, 517).

Initial situation

In the specific case "Kranarm" the BGH was faced with a decision of the Munich Higher Regional Court (OLG), in which the OLG had assumed an equivalent infringement of the patent in suit. The patent in suit (EP1889808B1) concerns a crane arm with an attachment device for implements, which is equipped with swivel joints in the manner of a cardan joint. The patent in suit addresses the technical problem of

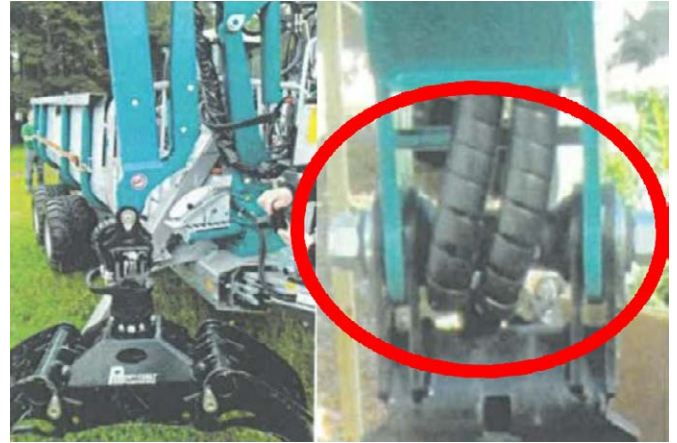
constructing the cardan joint as stable as possible overall and allowing easy access to the connections for the hose lines without impairing the protection of the hose lines from external damage (BGH - Kranarm, para. 13).

As a solution to the problem, the patent claim 1 in suit provided, inter alia, that the hose lines (7), which run from the crane arm to the implement past the cardan joint, run "between the two pivot bearings (4a and 4b) of the pivot joint (4) on the crane side" (feature 3.1 of the feature structure of the BGH, para. 13) and "offset in the direction of the axis of rotation (y) of the pivot joint (5) on the working side, past this pivot joint" (feature 3.2). For a better understanding, the embodiment example according to Figure 4 is shown below:



The OLG found that the impugned embodiments 1 and 2 did not realise feature 3.1, as the hose lines did not run between the two pivot bearings (4a and 4b) of the crane-side pivot joint (4) on the crane side, but around a component that connects the two pivot bearings and fills the space between them

(BGH - Kranarm, para. 17). This is clearly visible in the following illustration of the contested embodiment 2 (BGH - Kranarm, para. 4; emphasis added in red):



However, the OLG Munich acknowledged a realisation of patent claim 1 by equivalent means and - in opposition to the District Court - assumed an equal effect. It is true that the protection of the hose assemblies intended by feature 3.1 was achieved only to a limited extent. However, this did not prevent a equivalent effect, as the inventive effect of protecting the hoses from damage by external influences was still achieved in decisive manner by the fact that the hoses, after being guided around the component between the pivot bearings, were subsequently guided again on the side of the attachment device facing the crane arm between the two plate-shaped support devices running vertically to the axis of rotation (BGH - Crane arm, para. 18).

Decision of the BGH

The BGH did not allow this reasoning to suffice, so that an equal effect could at least not be assumed on the basis of the argumentation of the OLG Munich. The BGH stated that the deciding factor for the question of equal effect was which individual effects the features according to the patent provided - individually and as a whole - for solving the problem underlying the patent claim and whether these effects were achieved by other means in the attacked

embodiment (BGH - Kranarm, para. 42 f.). An equal effect would not require that the deviating design obtains the effect according to the invention without any restriction. It was sufficient that the required effect was achieved by modified means only to a limited extent. The assumption of an equal effect could already be considered appropriate if the effect according to the invention was essentially achieved, i.e. to a practically still considerable extent. For this purpose, the effect according to the patent and a weighting of the deficits found in the challenged embodiments based on this were relevant (BGH - Kranarm, para. 47).

With regard to the present dispute, the BGH stated that the protection of the hose lines in the area of the two swivel joints was guaranteed by features 3.1 and 3.2. Against this background, it was not sufficient - in contrast to the assumption of the OLG - that the hose lines were only protected from external influences in the further course by components of the crane arm, but not in the area of the swivel joint on the side of the crane arm (BGH - Crane arm, paras. 44-46, 48). As the previous findings did not support the assumption of an equal effect, but at the same time could not be ruled out, the BGH referred the case back to the OLG (BGH - Crane Arm, para. 49 ff.).

Consequences for legal practice

The decision does not change the previous perception. It will remain the case that the assessment of an equal effect requires a precise elaboration of the effects according to the invention and their assignment to the relevant claim features and subsequently to the modified, possibly equivalent means. However, with the confirmation of its previous case law, the Federal Supreme Court contributes to legal certainty, which is of great importance (not only) for legal counselling practice.



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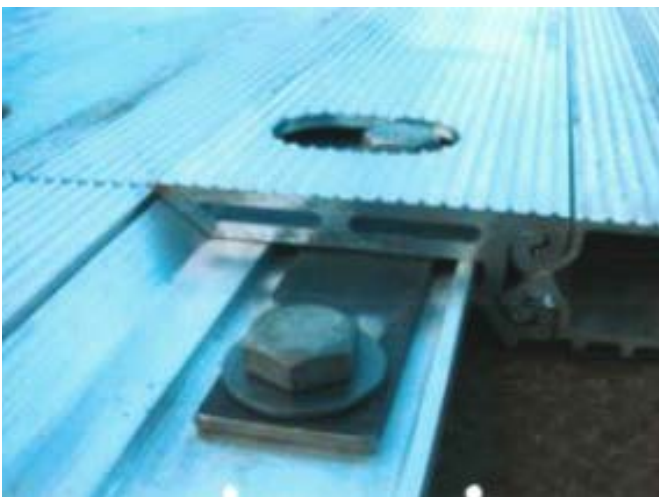
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Patent law: Destruction claim in case of dismantlable entire device

Complete destruction of an entire device is not necessary if it is possible to destroy only an individual part of the entire device or to change a technical feature in such a way that the entire device no longer falls within the scope of protection of the patent. The prerequisite is that this is a measure which precludes the restoration of the patent-infringing state. This was decided by the Düsseldorf Higher Regional Court (OLG) in its judgment of November 5, 2020, file number I-2 U 63/19, reprinted in GRUR-RR 2021, p. 15 et seq.

The judgment was based on the following facts:

The applicant is the proprietor of a European patent relating to connecting elements for a floor covering, which consists of a first and a second partial element. According to the patent, the partial elements each have hollow chambers and connecting openings via which they can be connected to one another by connecting means and which, in the assembled state, form a connecting channel in which a connector is arranged. The connecting elements are characterized in particular by the fact that the connecting openings of the partial elements, through which the connecting means are guided, are designed as elongated holes.



The defendant offered, used and distributed in the Federal Republic of Germany connecting elements for floor segments of a floor covering which made use of all features of the patented teaching. The plaintiff

therefore brought a claim against the defendant for a direct patent infringement.

The Düsseldorf District Court (LG) found that the patent in suit had been infringed directly and awarded the plaintiff the claims under the Patent Act, with the exception of the asserted claim for destruction of the entire device. Destruction of the entire device, consisting of a first and a second part element, connector and connecting means, was disproportionate. Destruction of only the first partial element of the challenged connecting elements was sufficient. This already ensures that the defendant can no longer use the overall device according to the patent. Alternatively, the defendant could redesign the first part element in such a way that the connection openings are formed as round holes instead of elongated holes. In this case, too, it was sufficiently certain that the defendant would no longer be able to make use of the patent.

The defendant's appeal was unsuccessful.

The plaintiff did not challenge the limitation of the destruction claim in the appeal proceedings, which is why the OLG only dealt with the proportionality of the tenor of partial destruction. The defendant argued in opposition to the destruction claim that it did not own or possess an entire device, but only the individual components. Furthermore, the terms of its contract stipulated that its customers were not allowed to assemble the partial elements to an entire device that complied with the patent.

The OLG did not agree with either of these arguments.

All components from which the connecting parts can be assembled according to the patent are in the possession of the defendant. They were only (currently) not assembled in accordance with the patent. However, a respective assembly is not required by the patent claim. Rather, according to the patent, the individual component elements are to be designed in such a way that they form a connecting channel when combined. In other words, all that is required is that the components are suitable for being assembled to form the protected device. If all elements of an overall invention were in the possession of the patent infringer and if there were indications that these were to be assembled into the subject matter of the invention by the infringer himself or - attributable to him - by a third party, these individual parts would also be subject to destruction.

The OLG also rejected the defendant's objection that an assembly of the individual parts by its customers in accordance with the invention was excluded on the basis of its contractual terms. After all, there was no guarantee that customers would adhere to this condition, nor that the defendant would enforce the obligation in the event of a breach.

Furthermore, the OLG pointed out that destruction was not already disproportionate because the defendant had already been ordered to cease and desist and was thus prevented from combining the individual parts into the entire device according to the patent. On the one hand, the claim for destruction would be of no avail in such an assessment, and on the other hand, a future risk of commission would not be required for the claim for destruction under Sec. 140a Patent Act..

The OLG confirmed the LG's view that the destruction of the entire device would be disproportionate if even partial destruction would lead to the patent no longer being used. Complete destruction is also to be ruled out if a technical feature was modified in such a way that the entire device no longer fell within the scope

of protection of the patent (as was the case here with a round hole instead of an elongated hole) and this represented an equally suitable alternative to complete destruction. Whether an equally suitable alternative exists would depend on whether the patent-infringing condition could be restored by subsequent manipulations - also by third parties - and the patent-infringing product could be put back on the market. Only if this could be ruled out, a limitation of the destruction claim could be taken into consideration..

Decisions on partial destruction or amendment as milder measures to total destruction are rare (e.g. Frankfurt (Main) Higher Regional Court GRUR-RR 2017, 289 - Legekopf: no destruction claim after expiry of the patent). In the case law of the courts - in particular the Düsseldorf courts - the disproportionate nature of the destruction of the entire product is regarded as an exception requiring special justification and is applied very restrictively. Even if the restrictive application of Sec. 140a (4) Patent Act can sometimes lead to serious damage to the infringer and represent a considerable waste of resources, the law grants priority to the rights of the patent proprietor as a matter of principle. This ratio of rule to exception in Sec. 140a PatG is justified by the legislative objective: Besides the general preventive deterrent effect and the sanction character, the destruction claim serves primarily to eliminate the consequences of a patent infringement. The patent-infringing goods are to be irretrievably removed so that a renewed infringement of intellectual property rights is permanently precluded.

Against this background, the practical decision of the Düsseldorf Higher Regional Court is very welcome as a concrete example of when destruction of an entire device is exceptionally not necessary to achieve these legal objectives. In the event of a patent infringement, this ruling provides manufacturers of an overall device consisting of several parts with instructions on how to check the respective individual parts for patent-free and irreversible modifications and how to avoid complete destruction of the device and thus unnecessary destruction of value and resources

through appropriate redesign. It remains to be seen whether the German Federal Court of Justice (BGH) will agree with this ruling. The defendant has filed a non-admission appeal pending before the BGH (Case No. X ZR 110/20).



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Alexander Harguth is a fluent French speaker and is dual-qualified in France and Germany. He regularly represents French clients in patent litigation proceedings. Harguth divides his time between the firm's Munich and Paris offices.

Andreas Haberl often leads litigation cases relating to technology patents. He also assists with IP matters relating to transactions.

Christian Donle acts primarily for telecommunications and IT companies on infringement proceedings including litigation defence against non-practising entities.

Landmark decision of the Federal Administrative Court on the required expertise of the person responsible for the wholesale trade in medicinal products



I. Introduction

In rulings dated 05.11.2020, Case No. 3 C 7.19 and 3 C 9.19, the Federal Administrative Court decided that pharmaceutical knowledge comparable to that taught in a pharmacy professional education is not required for a person responsible for the wholesale trade in medicinal products to exercise his or her duties pursuant to Section 52a AMG.

In both cases, the Düsseldorf district government, as the competent supervisory authority, was of the opinion that the appointment of a wholesale representative requires that the representative has the necessary basic scientific pharmaceutical knowledge.

One case involved the Düsseldorf branch of a wholesaler, which in 2014 had reported a trained wholesale and foreign trade merchant as a "responsible person", who had been working as an operations manager since February 2015 and had already managed several other branches of the wholesaler. The applicant claimed that its responsible person was therefore very familiar with the circumstances and requirements of a pharmaceutical wholesale business

due to professional activity and experience, which the supervisory authority did not share.

Also in the parallel proceedings of a pharmaceutical company, whose concrete activity of the responsible person does not include any drug testing and in whose concrete premises there is no storage, no decanting, no packaging or labelling of medicinal products, but rather the activity of the wholesale representative is essentially limited to logistical tasks and the comparison of measurement results, the district government had also refused to appoint the responsible person on the grounds that the required proof of expertise had not been provided due to a lack of pharmacy knowledge.

In both cases, the supervisory authority threatened to order the suspension of the wholesale trade licence.

Pleasingly clear, the Federal Administrative Court rejected the opinion of the Düsseldorf district government and ruled (lead sentence):

"Required for the activity of a responsible person within the meaning of Section 52 a (2) No. 3 AMG

is expert knowledge in the handling of the medicinal products that are the subject of the wholesale authorisation. The knowledge can be gained through practical experience, in particular through activities under the guidance and supervision of a responsible person in his/her area of responsibility. Pharmaceutical knowledge comparable to that imparted in a pharmacy professional education is not required."

This positive final decision in III. Instance is of decisive importance for all holders of a wholesale trade licence.

II. Grounds for the decision

The Federal Administrative Court first established (para. 14 et seq.) that the normative requirements for the qualification of the responsible person neither demand pharmaceutical education nor comparable pharmaceutical knowledge.

According to Section 52a (2) no. 3 AMG, the holder of a licence to wholesale medicinal products must designate a responsible person who possesses the expertise required to carry out the activity, although the Medicinal Products Act does not contain any further details on the type, scope or proof of the required knowledge.

The provisions of EU law also do not contain any content-related specifications on the required expertise. The legislator of the AMG did not take up the wish expressed in No. 2.2 of the GDP Guideline regarding a university degree in pharmacy for the responsible person appointed by the wholesaler, unlike in the provisions on the expertise of the competent person to be appointed for the granting of a manufacturing authorisation pursuant to Section 15 (1) sentence 1 AMG. In this regard, the Court of Appeal already correctly pointed out that these requirements from Section 15 AMG cannot be applied *mutatis mutandis* to the expertise of the person responsible for the wholesale trade.

This requirement cannot be read into the law by way of interpretation either, neither from the comparison to the regulations of the pharmaceutical consultant, nor in view of the regulations otherwise to be found in the Medicines or Pharmacies Act or the wishful thinking anchored in number 2.2 of the GDP Guideline. Rather, the reference in the explanatory memorandum of the Federal Government's draft law (BT-Drucksache 15/2109, page 34) that the required qualification can be obtained through professional training and practical experience speaks for a deliberate refraining of the legislator from the requirement of pharmaceutical education or corresponding pharmaceutical knowledge.

The Federal Administrative Court then clearly worked out that it must therefore be determined on the basis of the concrete area of tasks and responsibility which expertise is required to perform the concrete activity. The reference point for this is the activity of the responsible person in the establishment covered by the wholesale trade permit.

In this regard, the Federal Administrative Court has further emphasized that the required expertise must be based on the medicinal products distributed in the establishment as well as the type and scope of the wholesale trade there and that this is obvious especially with regard to the necessary pharmaceutical knowledge. It is obvious that if, for example, medicinal products requiring refrigeration, blood products or other sensitive medicinal products for which special precautions and monitoring steps are required for reasons of medicinal product safety are traded in premises, certain pharmaceutical knowledge may also be required for this purpose.

The responsible person must therefore have the knowledge that enables him or her to carry out the responsibility assigned to him or her.

On the other hand, even if the responsible person is responsible for decisions that may require specific

pharmaceutical knowledge, it is not necessary for the responsible person to be able to perform pharmaceutical-scientific risk analyses himself. In this case, the pharmaceutical questions arising in the wholesale trade of medicinal products are regularly - and at least in the specific cases of wholesale trade with finished medicinal products - predetermined by standardised procedures of the quality assurance system.

The responsible person is therefore primarily responsible for ensuring the implementation and maintenance of a quality assurance system as well as the coordination and documentation of the essential process steps. In practice, the main points of inspection are checking for damage and verifying the storage and transport documentation submitted by the sender, while the pharmaceutical manufacturer is responsible for answering product-related pharmaceutical questions.

For the activity of a responsible person within the meaning of Section 52a (2) No. 3 AMG, expert knowledge in handling the medicinal products that are the subject of the wholesale authorisation is therefore required. This knowledge can be gained through practical experience, in particular through activities under the guidance and supervision of a responsible person in his or her area of responsibility. Pharmaceutical knowledge comparable to that imparted in a pharmacy professional education is not required. However, pharmaceutical knowledge may be required insofar as it is necessary for the specific designated activities in the handling of certain medicinal products.

In the present cases, the factual findings in the appeal judgement were not sufficient for a final decision on the merits by the Federal Administrative Court, which is why both proceedings were referred back to the appellate instance.



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