

Germany: Costs in Trademark Opposition Proceedings

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The general rule in German opposition proceedings is that each party bears its own costs. But what are the exceptions? A recent decision by the Federal Patent Court shows once more how difficult it is to obtain a decision ordering one party to bear the costs of another ([decision of the Federal Patent Court of 14 January 2016 on Case 25 W \(pat\) 27/14](#)).

The German Patent and Trademark Office **may** render a decision ordering one party to bear the costs of the opposition proceedings fully or partially, insofar as they were necessary for the appropriate defense of the claims and rights, **if this is equitable**.

The owner of the word/device mark depicted below



for services in Classes 35 and 36, in particular in relation to real estate, had to defend against an inadmissible opposition based on company name rights

including in particular “Immobilien Lounge” and requested the opponent to bear the costs.

However, the German Patent and Trademark Office rejected the trademark owner’s claim to get its cost for defending against the opposition reimbursed. And this although it rejected the opposition as inadmissible, because it had even remained unclear on which unregistered company name rights the opposition was based and whether these were stylized or not. The Office took into consideration that the opponent was not represented by a lawyer and that the matter was quite complex.

The trademark owner appealed against this decision. It argued that the opponent had violated its procedural duties by not timely submitting evidence for the alleged unregistered company name rights. In addition, it put forward that the opposition was obviously without merits. The company name “Immobilien Lounge München” (“property lounge Munich” in English) was merely descriptive for real estate related services. The opponent must have been aware of this fact, as its own trademark application for “Immobilien Lounge München” had been refused by the German Patent and Trademark Office. As the marks only coincided in descriptive elements, the opposition was not only clearly inadmissible, but also clearly unfounded.

The Federal Patent Court reiterated that as a general rule in opposition proceedings in Germany each party had to bear its own costs. Something else would only apply where an opposition was filed which **obviously had no or almost no chances of success**. According to the Federal Patent Court this was not the case here. The signs coincided in their word elements “Immobilien Lounge”. The refusal of the trademark application for “Immobilien Lounge München” did not necessarily mean that an opposition based on an identical unregistered company name right was without merits, as the level of distinctiveness required for unregistered company name rights was lower than for trademarks. In addition, unregistered company name rights are only allowed as basis of oppositions in Germany since 2009, so that case-law dealing with similar oppositions was not yet available. From the laymen perspective of the opponent the admissibility issues were not evident, so that the opponent had also not violated its procedural duties in a manner justifying a cost decision.

By way of contrast, the Federal Patent had approved decisions ordering the

opponent to bear the costs in cases

- where there was evidently no likelihood of confusion between two marks
- or where the opponent further pursued the opposition although no effort was made to provide proof of use of the opposing mark following a justified request for it

Summing up, except for exceptional circumstances an opponent in Germany would not have to fear a cost order. A reason why it makes sense to implement a trademark watching service and not to miss the opposition deadline in Germany. Once the opposition deadline is missed, a cancellation action would have to be filed before the civil courts in Germany with significantly higher costs, in particular in case of loss. It should be mentioned that this will change in the next 7 years as the newly adapted Trademark Directive ([Directive \(EU\) 2015/2436](#)) requires EU member states to provide for administrative proceedings before the Trademark Offices to request the revocation and declaration of invalidity of a trademark, including on the basis of earlier rights.